

**AD-A188 958**

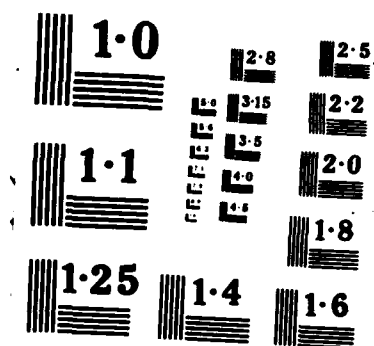
NATIONAL LABOR ADMINISTRATION AND DEMOCRACY IN BRAZIL  
1965-87(U) NAVAL POSTGRADUATE SCHOOL MONTEREY CA  
P G BUCHANAN JUL 87 NPS-56-87-006

1/1

**UNCLASSIFIED**

F/G 5/4

NL



DTIC FILE

# NAVAL POSTGRADUATE SCHOOL

## Monterey, California

AD-A188 958



DTIC  
ELECTE  
FEB 10 1988  
S D  
H

NATIONAL LABOR ADMINISTRATION AND  
DEMOCRACY IN BRAZIL, 1985-87

PAUL G. BUCHANAN

JULY 1987

Report for period February-May, 1987

Approved for public release, distribution unlimited.

Prepared for:  
Chief of Naval Research  
Arlington, VA 22217

88 2 05 124

UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER NPS-56-87-006	2. GOVT ACCESSION NO.	3. RECIPIENT'S CATALOG NUMBER
4. TITLE (and Subtitle) NATIONAL LABOR ADMINISTRATION AND DEMOCRACY IN BRAZIL, 1985-87		5. TYPE OF REPORT & PERIOD COVERED Technical (Oct.-April 86-87)
7. AUTHOR(s) PAUL G. BUCHANAN		6. PERFORMING ORG. REPORT NUMBER
9. PERFORMING ORGANIZATION NAME AND ADDRESS WESTERN HEMISPHERE AREA STUDIES DEPARTMENT OF NATIONAL SECURITY AFFAIRS NPS, MONTEREY, CA. 93943-5100		8. CONTRACT OR GRANT NUMBER(s)
11. CONTROLLING OFFICE NAME AND ADDRESS NAVAL POSTGRADUATE SCHOOL MONTEREY, CA. 93943-5100		10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS 61153N; RR014-01; 10P-011
14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office) Chief of Naval Research Arlington, VA 22217-5000		12. REPORT DATE July, 1987
		13. NUMBER OF PAGES 50
		15. SECURITY CLASS. (of this report) UNCLASSIFIED
		15a. DECLASSIFICATION/DOWNGRADING SCHEDULE
16. DISTRIBUTION STATEMENT (of this Report)  Approved for release; distribution unlimited.		
17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)		
18. SUPPLEMENTARY NOTES Preliminary version of a chapter to appear in a book titled <u>State, Labor Capital: Institutionalizing Democratic Class compromise in the Southern Cone</u> by the same author. (cont'd)		
19. KEY WORDS (Continue on reverse side if necessary and identify by block number) BRAZIL LABOR ADMINISTRATION X DEMOCRACY.		
20. ABSTRACT (Continue on reverse side if necessary and identify by block number) X Report discusses and analyzes the strategies and structure of national labor administration under the democratic regime installed in Brazil in 1985. It divides the government's approach towards labor relations into internal and external facets, then disaggregates the strategic and organizational dimensions inherent in each. Discussion of labor response to these initiatives is included, and an appraisal of the significance of this interaction for democratic consolidation in Brazil is made.		

DD FORM 1473  
1 JAN 73EDITION OF 1 NOV 65 IS OBSOLETE  
S/N 0102-014-6601

UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

## 18. Supplementary Notes (Continued)

Financial support for this project has been provided by the Naval Postgraduate School Research Foundation. It also benefitted from critiques received from Gary Wynia and Benjamin Schneider, and from the workshop on the Political Economy of Latin America directed by David Collier at the University of California, Berkeley. The opinions expressed herein are solely those of the author, and do not represent the views of any U.S. Government Agency.

Accession For	
NTIS GRA&I	<input checked="" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By	
Distribution/	
Availability Codes	
Dist	Avail and/or Special
A-1	

## I. Introduction

Like tourquoise dominos untoppled by either time or changes in the political environment, the heart of the Brazilian state apparatus stands horizontally aligned in neatly symmetrical rows along the Esplanada dos Ministerios, Brasilia's East-West axis. Viewed from the West, they form an impressive frame for the spectacular architectural features of the Praça dos tres Poderes governmental complex, and provide panoramic proof in concrete of the genius of urban planning involved in the creation of the Brazilian capital. Nevertheless, grandiose design and formidable appearance notwithstanding, it is not so much the immutable architectural features of the state as it is the internal dynamics at play with (and over) it that lie at the core of modern Brazil's political history. In particular, the state apparatus offers an institutional manifestation of the character and orientation of the political regimes that have held national power since 1960. With that in mind, this essay will attempt to examine the internal architectonics at play within one state agency housed on the Esplanada dos Ministerios: the Ministry of Labor.

The reason for this focus stems from the fact that Brazilian labor administration constitutes the main institutional bridge between the working classes and the federal government. In this capacity, it has been one of--if not the--main vehicles for administering the interests and demands of the best organized sectors of the Brazilian working classes. Hence, it is a branch of the state where it is possible to evaluate the impact of regime change on public policy and state organization in an important functional area. This is particularly so in a case such as this, where there has recently occurred a transition from an authoritarian to a (procedurally) democratic capitalist regime.<sup>1</sup> Thus, while its external edifice forms part of the enduring legacy and lofty aspirations of

the national project begun over a quarter century ago, the internal features of the Brazilian Labor Ministry and its dependencies reflect the regime-conditioned evolution of the national labor relations system during this period. As a result, it presents an ideal window on the character, orientation, and structural bases that underlie the labor policies of the democratic regime installed in 1985.

## II. Historical Antecedents

Before 1918, there existed no institutional mechanism within the Brazilian state that specifically administered the demands and interests of the working classes (be they organized or not). In 1919, responding to the emergence of new syndical movements associated with waves of immigration from Southern Europe, and yet reflecting the overall orientation of the economy at the time, a National Department of Labor (NDL) was created within the Agriculture Ministry (Decree 3550/October 10, 1918).<sup>2</sup> The NDL remained unchanged until 1930, when in the wake of the Depression, Getulio Vargas--fully understanding the political capital inherent in working class support and interested in promoting full scale industrialization as part of a populist national project of Grandeza--incorporated the NDL into the newly-created Ministério de Trabalho, Industria, e Comercio (Ministry of Labor, Industry, and Commerce or MTIC) via decree 19,433/November 26, 1930. Formally organized by decree 19,667/February 4, 1931, the MTIC was to remain virtually unchanged for nearly thirty years. As such, it became the centerpiece of a state corporatist system of interest group administration that has had few equals in Latin America in terms of both scope and longevity (the Peronist state of 1946-1955 being the closest comparison in terms

of scope and the Mexican labor relations system being the closest in terms of longevity), and which continues to be evident to this day.<sup>3</sup>

Vargas' approach towards organized labor reflected his nationalist-populist ideology and a keen sense of political opportunism. Capitalizing on the economic crisis caused by the Depression, Vargas used the state-sponsored move towards industrialization as a vehicle for cultivating the support of the emerging urban industrial classes. With this in mind, he maintained that the creation of the MTIC "constituted the first step towards organizing labor, commerce, and industry throughout the country..."with this gesture the Provisional Government fulfills an honor debt that the public authorities owed to Brazilian workers."<sup>4</sup> With the advent of the Estado Novo in 1937, Vargas set about reorganizing the state, the economy, and civil society on the basis of functional representation, something that he believed would help overcome class conflict, ensure social harmony, and thereby promote Brazil's emergence as a world industrial power. Modeled after the Fascist constitutions then in force in Portugal and Italy the Estado Novo sought to group all employes and workers in functionally-defined parallel organizations that were to eventually be complemented by a similarly structured national legislature (which never materialized).<sup>5</sup> Hence, state corporatism was both an ideological objective and a specific approach to policymaking and interest group administration under the Vargas regime. Most importantly, while the ideological component of this framework waned after 1945, its institutional features have survived virtually intact to this day.

Even though the corporative structure of the Vargas-promoted labor codes has been the subject of much discussion, it is worth reviewing several of its enduring features. On an external plane, with respect to labor movement



activities and structure, several traits stand out. According to the legal framework outlined by Estado Novo, the basic structure of interest group representation consisted of "1st grade" organizations known as sindicatos (unions), which respectively grouped together employers and workers in each category, trade, industry, and economic sector within a given municipality or otherwise specified geographic area. One sindicato was recognized as the legitimate (and more importantly, legal) representative of workers and employers respectively engaged in given productive activities in each locality. Codified as law in the Consolidação das Leis do Trabalho (CLT), this framework also provided that in states with five or more sindicatos (either worker or employer) in a specific economic category, these could be incorporated into respective "2nd grade" organizations known as federações (federations). In economic categories with three or more such federations, they could be grouped together in an umbrella "3rd grade" organization, the (sectoral) Confederação (confederation). The CLT originally provided for seven such types of confederation, representing workers and employers in industry, commerce, land transport, communications and publicity, water and air transportation, credit institutions, educational and cultural institutions.<sup>6</sup> In addition, a National Confederation of Free Professions (lawyers, doctors, engineers, etc.) was provided for (although for a long time only local sindicatos of such professions were established, and it has only been recently that a confederation of these groups has appeared).<sup>7</sup> The CLT did and currently does not provide for any national confederation encompassing different functional categories, nor does it permit direct links between different types of union. Moreover, public sector employees are formally barred from organizing under provisions of the CLT, and

heterogeneous (i.e. inter-sectoral) rural labor associations are actively discouraged.

It is essential to note that the decentralizing and deconcentrating tendencies promoted by the CLT form the legal basis for and external manifestation of the exclusionary state corporatist structuring of working class interests, something that may appear surprising in light of Vargas' populist ideology. However, inclusionary state corporatism is premised on the use of extensive state inducements for sectoral cooperation coupled with a high degree of organizational centralization and concentration within interest groups (the so-called "verticalism" that underlies the formal pyramidal structure), as was the case with the framework adopted by the Peronist regime of 1946-1955 in Argentina.<sup>8</sup> Exclusionary state corporatism has an external approach characterized by a decentralizing and deconcentrating orientation that is manifest in the imposition of a wide array of legal constraints on sectoral activities and organization, and which in this case is designed to structurally weaken the labor movement.<sup>9</sup> Vargas complemented the enforced structural and organizational weakness the CLT imposed upon the Brazilian labor movement by using techniques of individual cooptation, heavily buttressed by corruption, in order to secure the cooperation of labor leaders (as opposed to the rank and file as a whole). He complemented this approach with the selective paternal bestowing of state-provided public goods on compliant sectors of the urban working classes. This approach was reaffirmed by legal provisions that accentuated the dependence of labor leaders on the national labor authorities (for reasons that will be discussed shortly). All of these measures had the effect of divorcing the labor bureaucracy from the rank and file, thereby making them more amenable to government initiatives (to say nothing of susceptible to outright political

manipulation). To this was added discretionary enforcement of CLT provisions regarding rights of association, whereby the government rigorously enforced limitations on the organization and activities of the union movement while at the same time adopting a more relaxed attitude towards the "less subversive" activities of employer-producer groups (in an early variant of the "bi-frontal" state corporatism O'Donnell has mentioned with respect to bureaucratic-authoritarian regimes). The point to be underscored is that from its inception the orientation and structure of the modern Brazilian labor relations system was and formally remains a fundamentally exclusionary framework that is premised on state control over a structurally weak and divided labor movement. It is this premise that is now being most seriously challenged by the process of democratic consolidation.

According to the framework currently outlined in the CLT, in order to discharge basic functions such as collective bargaining, legal representation before labor courts, grievance petitioning, etc., sindicatos have to previously have been awarded official recognition by the Labor Ministry (articles 518-520). Again, only one sindicato is granted legal status per functional category in each locality (article 516). To be awarded recognition, sindicatos have to agree to subordinate their professional concerns to the national interest and cooperate with government authorities (article 518), plus refrain from political activities (article 521). The Labor Ministry retains the authority to intervene in unions (article 528), enforce their "normalization" (article 554), rescind labor contracts (article 482), cancel collective bargaining or make it mandatory (article 623), and more generally, supervise all wage negotiations (articles 611-615). To these provisions are added broad stipulations allowing the Labor Ministry to regulate union statutes and oversee union finances and expenditures.

In the past, such constraints on union freedom did not end with the delimitation of national labor administration's powers and scope of authority. For example, the constitution enacted under the Estado Novo outlawed all strikes as subversive. Although this was partially modified during the democratic opening of 1946 (when strikes in "nonbasic" industries were authorized), broad legal restrictions on the right to strike have prevailed ever since,<sup>10</sup> (although in recent years these restrictions have been haphazardly enforced).

In exchange for legal recognition, sindicatos receive sixty percent of a state-mandated union tax (imposto sindical, now referred to officially as the "Contribuição sindical") equivalent to one day's pay per year for each worker employed within a union's functional area or territorial jurisdiction (whether the worker is affiliated with the union or not). Fifteen percent of the imposto sindical is designated for the federation with which a union is affiliated; five percent goes to the confederation to which the federation belongs. The remaining twenty percent is designated for a Fundo Social Sindical (Union Social Fund, now known as the Seguro de Desemprego or Unemployment Insurance Fund) administered by the Labor Ministry. This fund was originally designed to provide benefits and services to non-union workers and the working population in general. In practice it was used as an instrument of patronage and to defray internal costs within national labor administration itself (a subject we will return to later). Moreover, union reliance on the imposto sindical removed incentives to expand membership bases, since the monies received were not derived from the number of union affiliates, but from the state itself. In any case, if no sindicato exists in a particular functional area or territory, its share of the imposto sindical goes to the respective state federation. If no federation exists, both shares go to the appropriate sectoral confederation. If

no confederation exists, the entire amount goes to the Fondo Social Sindical.

It should be evident that under this scheme, national labor administration has traditionally had a vested financial interest in seeing that workers remained unorganized in a broad array of activities.

Under the guidelines outlined in the CLT, funds derived from the imposto sindical cannot be spent at the union's discretion. By law, these funds are to be allotted to the provision of health, social security, and educational and cultural services for the union membership. The Labor Ministry maintains accounting procedures to see that this occurs. In practice, legal recognition of unions has often hinged on whether they already have established benefit programs for their members. Such provisions have forced unions to devote the majority of their time and efforts towards membership support issues rather than professional (i.e. economic or revindicative) concerns per se, which in any event have been subjected to a wide range of state intervention mechanisms. All of these regulations and procedures have traditionally allowed the Labor Ministry to closely monitor and often manipulate union finances. This was (and is) complemented by broad powers of supervision over union elections, including the right to suspend or replace union officials and veto candidates for elective positions (CLT articles 530-532).

As alluded to earlier, these restrictions have had a decided impact on the labor leadership. Individual fortunes (both material and political) within the labor hierarchy came to depend on the state's largesse and conformity with the role played by each union leader. Moreover, cooperation with the labor authorities often resulted in eventual incorporation into national labor administration itself, with all the material and symbolic benefits said assession to public office entailed. As a result, the officially-recognized unions became increas-

ingly bureaucratized, government-supportive, and unresponsive to and effectively divorced from their ostensible constituencies. There was, in effect, a top-down organizational rationale in the Vargas labor codes that was designed to assure the acquiescence of the rank and file to a union leadership responsive to government dictates, and which effectively complemented the decentralizing and deconcentrating organizational tendencies mentioned earlier. Even so, this cooptive, bureaucratic, and top-down orientation gained many cooperative union leaders the collective sobriquet of pelegos (lackeys), and established the grounds for an eventual rank and file rejection of their positions. As a result, the present conjecture finds remnants of the old labor bureaucracy (such as long time pelego and current head of the moderate labor confederation CGT, Joaquim dos Santos Andrade - "Joaquinzão") locked in a struggle with new syndical leaders un beholden to the corporatist system, and who were instrumental in hastening the pace of the democratic transition process after 1978 (the most notable being former metalworker Luís Inácio da Silva, "Lula," who is now leader of the Partido dos Trabalhadores, (PT) and a federal representative from the state of São Paulo). This struggle between the new and old labor elites is most visibly manifest in the competition between the most important labor confederations, the Central Unica dos Trabalhadores (CUT), Confederação General de Trabalho (CGT), and Union Sindical Independiente (USI), for the position of organized labor's national representative.

On an internal plane, within the state apparatus itself, another important element of the Brazilian labor relations system that dates to the Vargas era is the national network of labor courts. It is in these courts where most individual and collective disputes, grievance procedures, and collective bargaining are handled. This includes powers of dissidio colectivo, a form of compulsory

arbitration in all collective bargaining not previously resolved between the parties or under the auspices of regional labor delegations representing the Labor Ministry (which occurs in the majority of cases). Formally part of the federal judiciary, the labor court network includes local juntas de conciliação (conciliation boards), regional tribunais (tribunals), and the court of last appeal, the Tribunal Superior do Trabalho (Superior Labor Tribunal or TST). Beyond its arbitration and decisionary powers in specific areas of litigation, this last agency also is ultimately responsible for determining the legal status of all work stoppages (although it often delegates this responsibility to regional labor tribunals), based on provisions in the Constitution and CLT. Given the stakes involved (since workers engaged in strikes deemed to be illegal can have their union intervened and be subjected to repression, imprisonment, and/or dismissal from their jobs without legal recourse or material redress), this makes the TST a critical actor in the national labor relations system.

From 1931 to 1946 the TST existed as the Conselho Superior do Trabalho (CST), a quasi-administrative, quasi-judicial dependency of the MTIC that also had jurisdiction over the embryonic social security system. In 1946 its social security responsibilities, by then expanded with the institution of a national social security program, were transferred to the National Welfare Council (Conselho Superior de Previdência or CSP). At that time the CST was renamed and incorporated into the federal judicial system. Comprised of legal experts (either lawyers or judges) and so-called "class" representatives of labor and capital (again, most often lawyers), the TST formally became an independent part of national labor administration, with no official organizational link to the Labor Ministry. In practice, though, the TST has maintained close contacts with

the labor authorities, and under different regimes has tended to reflect the perspective prevailing within the Labor Ministry.

In contrast to the union structure promoted on the external plane, the internal organization of national labor administration was initially highly centralized. This is because under exclusionary state corporatism, the dominance of control functions makes the state adopt the very organizational features it actively discourages in excluded social groups. Hence, for thirty years the entire labor relations system had as its core just two agencies, the Departamento Nacional do Trabalho (National Labor Department or DNT) and the Departamento Geral de Previdência Social (Department-General of Social Welfare or DGPS), both located in the MTIC. The DNT was responsible for recognizing worker and employer organizations, initially mediating labor disputes (through the regional labor delegations), enforcing labor legislation (including intervention in unions), supervising union elections and finances, collecting labor statistics, and overseeing the activities of regional labor delegates, which besides the arbitration responsibilities mentioned above were also charged with most workplace inspection and union control duties. In parallel, the DGPS supervised the national social security system and individual union benefit programs. This included accounting for the uses to which the imposto sindical was directed in each case. With the activities of these two agencies, coupled with the role of the labor courts, national labor administration covered the full spectrum of union activities. It was in effect a "reverse image" of the decentralized, deconcentrated union structures promoted at an external level. Again, this concentration of authority and centralization of responsibilities facilitated the control functions that were at the heart of the exclusionary labor relations system. In fact, such organizational traits within the



Brazilian state--centralization and concentration--not only were the internal face of this particular exclusionary program: they are salient structural characteristics of national labor administration in a wide range of Latin American experiments with exclusionary state corporatist approaches to interest group administration.<sup>11</sup> In any event, this division of labor within national labor administration was subsequently highlighted and codified by Law 3728 of July 22, 1960, which narrowed the scope and changed the title of the labor portfolio to that of Ministério de Trabalho e Previdência Social (Ministry of Labor and Social Welfare or MTPS).<sup>12</sup>

Given its internal conformation and external attributes, it should be clear from the time of the Estado Novo, the state--institutionally represented by national labor administration--has occupied a superordinate position in the Brazilian labor relations system. Given this fact, unions have generally had to conform to the requirements of the CLT or live a precarious, when not marginal existence. This is not to say that unions have forsaken the latter option entirely. To the contrary, as we shall see in Section III, as of the mid-1970s an independent union movement rose to become a major socio-political actor, following the less successful attempts of opposition unions in the 1950s and 1960s. However, the parallel existence of such independent or unofficial unions along with the official union structure has also served to reinforce many of the centrifugal tendencies of the national labor relations system, thereby reinforcing its exclusionary character. That is to say, the decentralizing and deconcentrating tendencies promoted within the labor movement by the CLT have actually been strengthened, rather than weakened by the appearance of these new independent actors. Hence, only a major revision of the CLT in light of the new

democratic realities will allow the labor movement to consolidate its organizational bases.

Returning to the original design, it should be noted that Vargas was astute enough to provide labor with many state-provided benefits that otherwise would have been the subject of union bargaining strategies. This gave an inclusionary patina to the labor relations system that helped disguise its exclusionary bases. Thus, as a form of compensation for the loss of union autonomy and legal restrictions on union freedom of action (as well as to reaffirm his benevolent image in the eyes of the working classes), Vargas instituted a series of measures that obviated many union functions. Among these, he enacted programs that regulated professional training programs and created employment cards for all workers. He also passed a Lei de Estabilidade (Employment Security Law) which regulated the terms and compensation for dismissal from employment (which was subsequently modified and considerably reduced by the military regime installed in 1964), and in 1941 enacted the first minimum wage legislation to appear in Brazil. In another first, he created a nation-wide social security network that provided health protection and retirement pensions to the working population organized within the official union structure, and which became the primary responsibility of the DGPS. It was therefore the populist state, not the unions, which provided the organized working classes with the first significant advances in terms of welfare benefits and worker's rights, something that served to reinforce the effective marginalization of organized labor as an independent collective agent and political actor. It is here where the seeming dichotomy between the inclusionary and exclusionary features of this design becomes most transparent.

All of these measures also had the effect of strengthening the comptroller and previsionary responsibilities of national labor administration. Such state paternalism complemented, and in many cases superceded, the well-established tradition of employer paternalism that had characterized Brazilian labor-management relations before the Estado Novo, and which many argue persists to a significant degree in some sectors to this day. This has had the effect of making the Brazilian working classes completely dependent on external actors--either the state or employers--for the definition and promotion of their rights, rather than on themselves and their collective agents. This lack of self-recognized empowerment among the rank and file has been a major impediment to labor movement consolidation, since it entails overcoming a form of worker socialization that has long historical roots. In any case, as of the Estado Novo, where the state is silent on the issue of worker's collective and individual rights they have had little recourse, and can find themselves subject to the arbitrary depredations of employers who consider themselves absolved of major responsibility for their employee's rights and general well-being. Conversely, this has made labor administration an excellent vehicle for cultivating working class support for individual political ambitions. One example is provided by Vargas' Labor Minister from 1950 to 1954, João Goulart, who used his position to establish the bases for his subsequently successful campaign for the presidency in 1960.

In effect, in the words of one early observer, the structure created by Getulio Vargas during the Estado Novo "wove a tight net of governmental control over worker and (to a lesser extent) employer organizations..." More specifically, it "...resulted in the Ministry of Labor developing into one of the most powerful institutions of the administration. It was given extensive control

over the trade union movement and the employer's associations established under the CLT as well as over the process of settling disputes between workers and employers. It was also given extensive powers over the enforcement of labor laws... The ultimate goal of the CLT was for all workers and employers to be grouped in one section or another of the structure built on the basis of the CLT."<sup>13</sup> As a result, "although labor-management relations have evolved considerably since the end of the Estado Novo, they still remain very much under its shadow. The Vargas regime, though it made the unions financially strong, made them organizationally weak, and subject to the dictates of the Ministry of Labor... State paternalism established under the Estado Novo was still the most important feature of labor-management relations in Brazil more than a decade after the official end of the Vargas corporate state."<sup>14</sup> In fact, state dominance over the labor relations system was subsequently reinforced, often in a highly coercive fashion, by the military bureaucratic regime installed in 1964.

A less dispassionate view maintains that this negative corporatist legacy continues at present, and that "the existing powers of recognition, cessation, and intervention awarded by law to the state, as well as the mandatory union affiliation, must be identified as totalitarian instruments."<sup>15</sup> Totalitarian or not, it is also evident that despite episodic periods of relaxation and the varying degrees of actual state control exercised at specific points in time as a result of dissimilar regime projects in the field of labor relations, union freedoms as such has never completely existed in modern Brazil. Instead, when it comes to labor relations, since the 1930s all issues of importance have been raised, addressed, and resolved within the sphere of national labor administration, no matter what its specific orientation at different points in time. This is seen as a major obstacle to both union and political democracy.<sup>16</sup>

These exclusionary state corporatist traits were reaffirmed and strengthened after the coup d' état of 1964, to which was added, on an external plane, a strong dose of labor repression that was coupled, on an internal plane, with a technocratic orientation within the newly-installed state hierarchy. One significant effect of the new orientation was the separation of labor and welfare concerns within the national state apparatus. In 1967 the Instituto Nacional de Previdência Social (National Social Welfare Institute or INPS) was created as the lead agency in the national health and welfare system, thereby removing most social security and welfare concerns from the purview of national labor administration. This was confirmed in 1970, when the functional responsibilities of the labor portfolio were again narrowed and it was renamed the Ministério do Trabalho (Ministry of Labor or MTb). In 1974, a Ministério de Previdência e Assistência Social (Ministry of Welfare and Social Assistance or MPAS) was created to assume direction of the national welfare network, with the INPS passing under its control. Similarly, a Ministério de Saúde (Health Ministry or MS) was created in order to place all health-related concerns under one roof.<sup>17</sup>

Along with the narrowing of its scope of authority, another important change in labor administration's orientation under the military regime was the reassertion of its powers of intervention. After 1964 said powers were vigorously applied, and hundreds of unions were intervened in order to "normalize" their activities (which were deemed to have become excessively political and in some cases downright subversive in the more relaxed atmosphere prevalent under the Goulart administration). As a complement to the full-scale intervention of unions, strike activity was--at least until 1978--systematically and often severely curtailed.

The orientation of national labor administration began to change as part of the process of political opening or abertura initiated in 1974, and lead to a significant reorganization of the MTb in 1978. This reorganization can be perceived as an organizational reflection within the state apparatus of the abertura process, since it was designed to structurally adjust the state in order for it to better address the changing syndical realities brought about by the process of political liberalization. Authorized by decree 81,663 of May 16, 1978, the new structure and functions of national labor administration subsequently became the organizational framework inherited by the democratic regime installed in 1985.<sup>18</sup> In fact, it can be argued that the reforms of 1978 had the potential (possibly unintended) effect of easing the process of democratic transition and consolidation at the institutional level, since no comprehensive organizational reforms had to be made by the democratic authorities in order to adapt the state apparatus to the new realities of an "open" society. With such structural reforms already in place, the change of regime immediately moved to the level of external policy formulation rather than the otherwise preliminary level of internal reorganization (since it is generally recognized that the translation of policy into practice requires an organizational capacity to do so).<sup>19</sup> Whatever the ultimate intention, the organizational reforms promoted within the MTb and associated agencies in 1978 formed part of a process of organizational change and adaptation on the part of the Brazilian state that was tied to the military regime's program of political liberalization, which was characterized by a gradual, controlled process of distensão (distension), descomprimensão (decompression) and eventual abertura. Within national labor administration, the reforms of 1978 specifically responded to the changing character of the Brazilian labor market, and of labor relations in general, that

became increasingly manifest as of the mid-1970's. These changes were in turn the combined product of political factors (such as the exhaustion of the original authoritarian project, rise of dissident factions within erstwhile supporters of the regime, particularly the industrial bourgeoisie, the growth of independent sectors in the union movement, the emergence of new interest groups such as environmentalists and feminists, and the need for the armed forces to restore professional distance from government),<sup>20</sup> as well as transformations in both the international and Brazilian economies (such as technological change, increased complexity and diversification of the international and national division of labor, greater integration of the domestic and international markets, the adverse impact of the global recession of the late 1970s, the emergence of the global debt crisis in the ensuing decade, etc.). By responding to such changing circumstances with a program of policy reorientation and organizational reform, the outgoing authoritarian regime displayed an adaptive capacity and somewhat altruistic long-term perspective that differed markedly from the practices of other military regimes in the Southern Cone.<sup>21</sup>

For the moment we should dwell on the fact that these reforms notwithstanding, the formal external attributes of national labor administration have not undergone similarly significant modifications with respect to the original design, and consequently remain as an enduring authoritarian legacy which must be confronted as part of the democratic consolidation process.<sup>22</sup> As we shall see, this involves government acts of commission and omission with respect to the formal external attributes of national labor administration, because unless these powers are modified (rather than simply ignored) they will continue to prove an inviting mechanism for imposing unilateral solutions on labor-capital conflicts, rather than encourage the search for negotiated solutions that are an

essential part of the (admittedly laborious) process of democratic labor relations. In other words, whether or not they become letra morta under the present regime, such unmodified external attributes awarded to the state continue to be an enduring legacy of an authoritarian-inspired labor project long overcome by the course of history. A fundamental change of government attitude towards the national labor relations system is consequently required, plus the will to impose this change. Hence, the shift to democratic labor practices should be concretely reflected in the reformulation of the state's overall role and specific functions within the national labor relations system. As we shall see, this has become a major dilemma for the Sarnay administration.

In summarizing the historical antecedents to the present conjecture, it is important to understand that Brazilian labor administration has exhibited a high level of institutional continuity throughout its first fifty years, especially with regard to its external attributes (scope of authority and legal responsibilities). This has promoted a form of bureaucratic inertia that is extremely resistant to a modification of its external role (despite the recent structural changes), particularly when these changes are designed to reduce and otherwise limit the prerogatives awarded the state in the field of labor relations. It is therefore not surprising that, beyond different regime rationales for maintaining such a system, the exclusionary state corporatist structuring of working class interests has remained as a distinctive, enduring, and quite dynamic traco estrutural of Brazilian labor administration.<sup>23</sup> It is only now, with the advent of the new democratic regime, that the popular belief that nada muda in the federal bureaucracy can be properly tested, since its very consolidation depends upon the extent to which labor is incorporated rather than excluded from the



political process, and hence on the role and organizational changes within the state apparatus that will facilitate said incorporation.

### III. The External Face of Brazilian Administration: Labor Policy and Redemocratization, 1985-1987.

"Our government, mine and that of the workers, from the beginning made use of the social option and granted priority to the poor. Workers began to participate in decisions. Never have we heard so much in favor of those who work. Not only in the laws passed and actions of the government, but also in our conduct...participation, dialogue, and cordiality characterize the relations between the government and the working classes."<sup>24</sup> With statements like this May Day address of 1986, the democratic government led by José Sarney has professed to be fundamentally concerned with promoting the welfare of the Brazilian working classes as part of a larger project that is ostensibly designed to promote the autonomous and equitable incorporation of socio-economic class interests in the process of democratic consolidation. To do so, the external facet of the government's labor program has been characterized by a three-tiered approach that is evident, as the President said, in the laws proposed, the political and economic measures adopted, and in the conduct of national labor administration since April 1985.

At the broadest level of operation, the government has reaffirmed the need to establish some form of equitable and regularized "dialogue" between labor, capital, and the state that would eventually culminate in the achievement of a formal, concertative "social pact." This was an oft-enunciated ambition of the late Tancredo Neves, and is envisioned as a means of altering the confrontational mode of discourse that has traditionally prevailed between organized

labor and capital in Brazil. To encourage labor participation in such a dialogue, the government has recognized the legitimacy of multi-sectoral central labor confederations (CGT, CUT, USI) as articulators of working class interests, this despite the lack of legal criteria on which to base such recognition (since the CLT expressly prohibits such organizations). For the first time in Brazilian history, the government has invited all of the major labor confederations (both national and sectoral) to participate in tripartite and bipartite dialogues, and has encouraged a wide array of similar meetings at the state and local levels. In late 1986 and early 1987 the first national tripartite meetings were held in Brasilia. These first attempts at tripartite discussion, chaired by Minister of Labor Almir Pazzianotto, were boycotted by the CUT and eventually collapsed in January 1987 after the government refused to agree to labor demands that it suspend all foreign debt payments. This was exacerbated by an economic climate in which producers withheld from market basic goods in order to circumvent (and subvert) price freezes announced by the March, 1986 Plano Cruzado economic stabilization program. The widespread use of egotistical sectoral strategies of this sort led to whole-scale primary good shortages. These shortages and the emergence of other market pathologies (proliferation of black markets, profiteering, hoarding, etc.), all of which became particularly acute towards the end of 1986 and beginning of 1987, made clear to organized labor that--government-sponsored talks notwithstanding--Brazilian capitalists were not disposed to cooperate with the economic stabilization program, nor was the democratic government capable of enforcing producer compliance with the provisions of that program. Hence, organized labor considered that it was placed in the position of having to unilaterally shoulder the burden of sacrifice imposed by the Plano Cruzado (by accepting government-imposed wage re-

straint) while simultaneously cooperating in a fruitless tripartite discussion that lacked substantive terms. Faced with this scenario, labor abandoned the concertative forum and returned to the traditional strategies of sectoral confrontation. This was immediately manifested in a wave of strikes and slow-downs in a variety of sectors during the first quarter of 1987.

Rather than accept a return to the politics of confrontation (which, given the powers awarded it by the CLT, would have been easier to do), the government responded to this initial failure to establish some concertative consensus by subsequently holding a series of bipartite conferences involving the president and leading representatives of capital and labor. Scheduled two weeks apart in late March and early April 1987, the initial partite talks were designed to encourage the exchange of sectoral ideas and concerns with government proposals. Hence, the meetings between the president and organized labor (April 4) included representatives of all the major labor confederations (including the CUT), and responded "to a plea from the unionists themselves and the claim made by various sectors, during the debates over the social pact, that only the President could bring closer the conflicting interests of labor and capital."<sup>25</sup> In effect, these talks were designed to reaffirm the mediatory role of the executive branch by allowing it to consider the full range of sectoral concerns individually, then outline the agenda for future tripartite discussion.

Although little in the way of substantive agreements were reached during the April 4 meeting, some initial steps were taken towards establishing a basis for cooperation. In principle, the president agreed to include labor representatives in the formulation of economic policy. This included establishing a tripartite mechanism for determining the inflation index and corresponding wage readjustment scales (with labor and capital both represented by DIEESE--the

Departamento Intersindical de Estatística e Estudos Socio-Econômicos--which has a strong reputation for providing reliable and objective economic analyses), along with labor representation in the Conselho Monetario Nacional (National Monetary Council), in the directorates of Lloyd Marítimo Brasileiro (the national shipping line) other public enterprises such as SUDAM, SUDENE, and IBGE, and a host of state and municipal agencies.<sup>26</sup>

Officials of the Labor Ministry argue that the public sectoral meetings and regular private discussions hosted by the MTb are in fact a means by which labor, capital, and the state can begin to establish an ongoing sectoral dialogue based on trust and mutual understanding of each other's positions. With that first step accomplished, these officials "believe in a negotiated solution" to the current impasse.<sup>27</sup> These meetings are viewed by the government as preconditions to authentic concertation and the formal establishment of a social pact. As such, they can be understood as procedural-formulaic and symbolic rather than substantive discussions which are primarily designed to highlight the legitimate role played by organized labor as a socio-economic and political actor, then lay the framework in which concertative discussions of a more pragmatic-substantive nature can occur. Even so, the lengthy and abstract nature of these discussions has left major sectors of the union movement dissatisfied. The CUT, for example, sees them as more of a diversionary tactic rather than a sincere effort to establish bases for labor incorporation into the democratic consolidation process. According to Jair Meneguelli, President of the CUT, "from the president and his advisors we have only received a commitment to further dialogue, but without any solution to our wage and social revindications."<sup>28</sup> The CGT, on the other hand, has adopted a more practical (and perhaps opportunistic) approach, and has not discounted the utility of the discussions.

This has allowed the government to persist in its attempts to utilize concertative forums in the effort to find negotiated solutions to sectoral differences.

It is quite clear, though, that in the pursuit of labor incorporation in the democratic consolidation process, talk is not enough. The government certainly is cognizant of this fact. For that reason, it has simultaneously operated on two other levels that provide far less abstract guides to the current thrust of labor policy.

The most important of these is constituted by the combined legal-economic-political level of operation, in which measures are being promoted in all three spheres that are oriented towards advancing the interests of the working classes while at the same time humanizing the national productive process. At a legal level, the core of the government's strategy rests on the labor legislation package outlined in the Projeto de Lei 9,059/1986, which was submitted to Congress in July of 1986. To this has been added a clause proposing ratification of International Labor Organization (ILO) Convention N.87, which guarantees freedom of association for all workers. Scheduled to be voted upon by Congress before the Congreso Constituyente (Constituent Convention) in November, 1987, the proposed reforms intend to dramatically modify three key elements of current Brazilian labor legislation: the right to strike, collective bargaining, and freedom of voluntary association without state interference.

With regard to the right to strike, the government has proposed to make the law more flexible, narrowing the number of "essential" industries in which work stoppages are prohibited, permitting certain types of public employee strikes, eliminating provisions by which the state must be notified in advance of any meeting in which a strike vote is to be taken, and modifying the regulations governing the taking of such votes. In addition, penalties against illegal

strikes in essential services are to be reduced considerably (for example, imprisonment for merely engaging in such strikes would be abolished).<sup>29</sup> Thus, while it does not guarantee an unqualified right to strike, the government's proposal does broaden the range of admissible strike activities.

In terms of collective bargaining, the proposed legislation attempts to promote autonomous wage negotiations at the lowest level possible, removing mandatory state arbitration and ratification of collective bargains. Under the new legislation, labor and capital would no longer need state sanction in order to formalize collective bargaining agreements, and could choose their arbitrators, which is believed to ease the way for conciliation. Procedural matters (time of response to an offer, counteroffer requirements, etc.) are also clarified, pared down, and temporally delimited. Wage negotiations could thus involve sindicatos, federações, or confederações independently or together, depending on the organization and degree of vertical integration of each sector.<sup>30</sup>

As for the proposed rights of association, the government is attempting to secure congressional ratification or ILO Convention N. 87, which is an internationally recognized standard that guarantees basic rights of freedom of association. Accordingly, Article 2 of the Ministry of Labor-formulated decree proposing ratification states that "workers and employers, without any type of distinction, shall have the right to create, without prior authorization, organizations of their choice, as well as have the right to join those organizations, with the sole condition being that they comply with the statutes of each."<sup>31</sup> However, because of its scope, ratification of Convention N.87 entails a complete re-writing of Chapter 5 of the CLT (on collective bargaining) and is therefore the subject of much congressional debate and delay. As a compromise,

the government proposes that the existing labor federations and confederations be maintained, albeit with a more heterogeneous base. Where more than one union represents a functional area of activity, joint commissions would be established for wage negotiations, strike decisions, and other pertinent concerns.<sup>32</sup> This would not require as much re-writing of the CLT as the direct transposing of ILO Convention N.87 would entail. More importantly, it would provide the legal foundations for a move from the exclusionary state corporatist labor relations system to some form of European-style inclusionary neo-corporatist framework that if not ensuring a monopoly of representation, would maintain centralized and consolidated national peak associations while making them and their affiliated unions more representative of the rank and file.

The government believes that these legislative reforms will "democratize labor-capital relations in Brazil, modernize relations of production, and put an end to the corporatist structure of the CCT." In proposing these changes, the government hopes to overcome a tendency by which "all governments, since 1937, have preferred to preserve state powers of intervention and state paternalism as a basis of support for the union apparatus."<sup>33</sup> If this legislation is approved, national labor administration would formally assume a neutral role that increases the autonomy of unions while enhancing the state's mediatory functions. The effort to remove the "vicio paternalista" (paternalist vice) has led labor authorities to be accused by some business sectors of a pro-labor bias, although their self-perception is more that of neutral modernizers and technicians attempting to implement the tripartite philosophy and dictates of the I.L.O.<sup>34</sup>

It should be clarified that the labor movement is not entirely enthused with the proposed legislative reforms, especially with the effort to ratify ILO Convention 87. The CUT generally supports the proposed reforms, although it

continues to find the proposed strike laws overly restrictive. The CGT and USI, however, are vehemently opposed to ratification of ILO Convention 87. This is due to the fact that if approved, such legislation foresees the gradual elimination over five years of the state mandated imposto sindical, which many unions, especially the "official" and most smaller ones, consider the major source of their patrimony as well as the means by which they provide social services to their members (which continues to be their main function). Opponents of the move to ratify ILO Convention 87 consequently argue that, with the extinction of smaller unions, there will be an "elitization" of the labor movement under larger and wealthier unions. In addition, the leaders of the CGT and USI are concerned that the centralizing and concentrating trends promoted in the union movement by the elimination of the imposto sindical would in turn result in the elimination of their respective confederations, which are already losing membership ground to the CUT. Hence there is a logic of mutual self-preservation at play that fuels the resistance to ILO Convention 87 on the part of some sectors of the labor movement.

On the other hand, proponents of the legislative reforms believe that the elimination of the imposto sindical will make union leaders more responsive to the rank and file, as well as encourage recruitment (since union treasuries would become entirely dependent upon membership contributions). With just 17% of the Brazilian workforce organized, this leaves much room for expansion. Moreover, this view considers a heterogeneous, vertically unified and centralized labor movement to be an asset rather than a liability, especially if its membership bases are expanded and it is made more representative of and responsive to rank and file interests. Under such a structure, the working classes could institutionally speak with one unified voice.<sup>35</sup> This would significantly



alter the terms of the strategic interaction labor engages with both the state and capital.

At a political level, the government is actively engaged in drafting a new constitution, and the Congreso Constituyente is in the process of deliberating the proposed new charter. Included in the Anteproyecto da Constituição drafted by the Comissão de Estudos Constitucionals are general provisions promoting basic rights of association (Title 1, Articles 23, 28, 32), and the right to strike (Title 1, Article 33 and Title 5, Chapter 1, Article 4). In addition, there are specific clauses outlining the Direitos dos Trabalhadores (Title 5, Chapter 1), that is, the rights of all workers organized or not. These include safe working conditions, a fair wage, eight hour work days (in a country in which 29.3% of the economically active population currently works more than eight hours daily without overtime pay), employment stability, paid holiday, maternity, and sick leave, worker participation in business directorates, employer-provided child care, free and voluntary affiliation with unions of choice, and prohibitions on union intervention by the state. This is complemented by similarly detailed rights to social security benefits (Title 5, Chapter 2), and a series of clauses designed to improve the general welfare of the least-advantaged sectors in society via programs of public education, health, and environmental protection (Title 5, Chapters 5-7; Title 6, Chapter 1; Title 7, Chapters 1-2).

It remains to be seen if the Congreso Constituyente ratifies the full range of the proposed constitutional reforms in the area of labor relations and workers rights. While the labor unions and labor-based parties have presented petitions with over 300,000 signatures supporting these reforms, one can assume that employer group and conservative sector opposition to such sweeping changes

will force the adoption of more limited, second-best proposals in order to reach an enforceable compromise. However, it should be noted that there are some encouraging signs in this regard. For one thing, there are several labor-based parties represented in the Constituinte, including the Partido dos Trabalhadores (PT), Partido Democrático Trabalhista (PDT), Partido Trabalhista do Brasil (PTB), Partido Comunista do Brasil (PCB), Partido Socialista Brasileiro (PSB), plus the left-wing of the dominant party, the PMDB (who are collectively known as the "Grupo Autêntico"). In fact, the rise of the PT as the main political spokesman for organized labor is viewed as conducive to labor participation in tripartite vehicles, since political issues can be separated and channeled through the PT at the Congressional level, thereby leaving the executive branch and collective agents of capital and labor free to concentrate on economic and social issues in concertative forums. Obviously the PT will also have a role to play in the concertative process (although that has yet to be precisely defined), since the links between the CUT and the PT are extremely strong. The point is that the emergence of a representative labor party at the national level is seen as conducive to the formulation of concertative strategies, and more generally, to labor incorporation in the democratic consolidation process. This emphasis on parallel institutional representation for labor as a basis for regime stability harks to postwar European experiences with social pacts.<sup>36</sup>

Even so, it is clear that legal and political guarantees are of little consequence if the working population continues to be the victim of economic exploitation, deprivation, and exclusion, to say nothing of the generalized climate of profound economic crisis. With that in mind, the government has adopted a series of economic measures that, if of limited degrees of success, have shown its apparent desire for labor incorporation at this level as well.

A major step was the decision to suspend interest payments on the foreign debt, which now totals some 107 billion dollars. According to Minister of Labor Pazzianotto, rather than a populist gesture, this was done because free of the burden of such payments, resources could be directed towards the pursuit of increased investment and accelerated economic growth, which the government believes to be the best means of ensuring improved wage rates. Hence, "the suspension of interest payments on the external debt to international private banks make possible salary growth."<sup>37</sup> Another major step that preceded the interest payment suspension was the adoption of the Plano Cruzado economic stabilization program announced on March 11, 1986. Now well into its third phase (the Novo Plano Cruzado or "Plano Bresser" announced on June 12, 1987), and beyond the debate over its initial success and subsequent failures, two elements of the program that are pertinent to labor concerns are worth noting. First, the effort to impose price freezes on domestic staples. Although the response of producers was, as mentioned earlier, pathologically egotistical, the attempt to freeze the price of such goods was a clear indication that the government did not wish to pass the entire burden of sacrifice imposed by the austerity measures required for economic stabilization onto the working classes. The other, complementary measure was the imposition of the famous gatilho salarial ("wage trigger") for all wage labor and fixed incomes (including minimum wage and social security payments). The gatilho was designed to "disparar" (fire) whenever the inflation rate exceeded twenty percent. According to Secretária de Empregos e Salários (Secretary of Employment and Salaries) Dorothea Werneck, "salaries must also retain their purchasing power," and thus "the trigger better protects purchasing power in the face of low inflation rates."<sup>38</sup> Hence, if the price freezes had been respected and inflation had been

slowed, the gatilho would have served as a viable catch-up mechanism that helped preserve the value of the real wage. As it is, practice proved different, and the rate of inflation increased nearly twenty percent per month in the first quarter of 1987. Between the time taken to determine the inflation index and that involved in issuing the readjustment order, it was six weeks to two months between each "disparo" of the gatilho salarial. Moreover, the gatilho was not retroactive. Hence, the value of real wages continued to drop despite the attempts to regularly readjust them. One reliable non-government source (DIEESE) has calculated the average real wage loss at over 40% since the original Plano Cruzado was announced, with a 38% subsequent loss in average real wage following the implementation of the Novo Plano Cruzado. Similarly, the minimum wage fell to its lowest level in 37 years.<sup>39</sup> As a result, the gatilho at best served as a partial ameliorative mechanism that could not fully compensate for the loss of purchasing power provoked by supply-side inflation. Labor economists responded by suggesting modifications to the gatilho so that it would be trimesterly indexed at the cumulative rate of inflation.<sup>40</sup> However, under the Novo Plano Cruzado a new round of price freezes has been coupled with the elimination of the gatilho (possibly at the behest of employers and reportedly over Minister Pazzianotto's objection). Instead, the government now proposes to begin a series of six month wage adjustments after the first 90-day period of price freezes concludes. Labor's response has been to denounce the elimination of the gatilho, demand an average 100% real wage adjustment for all sectors, and announce a return to the "battle stations" as part of a strategy of renewed confrontation (which was tested by national strikes in late June and August, 1987).<sup>41</sup>

Organized labor argues that the fall in real wages, coupled with the elimination of subsidies for certain sectors of agriculture, cut-backs in government services, and increases in public utility and transportation rates (which have recently sparked a wave of violent demonstrations), constitute a plan to reduce domestic demand in accordance with IMF-imposed requirements. It thus views the Plano Cruzado as a fundamentally unequal program that disproportionately imposes sacrifices on those who are least able to afford them.

It is worth stressing the point that the government (or at least those engaged in labor administration) and organized labor agree on one thing: salary increases are not the root cause of inflation. The government has consequently tried to portray itself as the defender of the real wage in a very hostile environment, and has consistently opposed the wage ceilings advocated by capital.<sup>42</sup> In fact, despite its lack of success, according to Labor Minister Pazzianotto, the government has attempted to both "avoid inflationary corrosion and award a real wage increase."<sup>43</sup> To this effect, Secretary of Labor Plínio Sarti stated that the Labor Ministry "considers accurate DIEESE's studies which indicate that salaries constitute only 10 percent of business costs."<sup>44</sup> Secretary of Employment and Salaries Wernek has been even more blunt in formulating this view, saying that she "does not consider wage increases as a cause of inflation...the biggest pressures come from price increases that attempt to maintain a determined margin of profit..."<sup>45</sup> It should therefore be apparent that, although it has failed to protect the real wage in the manner envisioned, the price and wage provisions of the economic stabilization programs have been part of an as of yet unsuccessful government effort to protect a measure of real wage purchasing power during the period of economic crisis.

Other complementary measures have been oriented towards the general welfare of the working population. In 1986 the government created the first comprehensive national unemployment compensation scheme, the seguro desemprego (as part of the original Plano Cruzado), which is in part paid by the imposto sindical (in a change of fiscal policy that has significant implications for the internal financing of the Labor Ministry, as we shall discuss in Part IV). Besides addressing basic issues of social justice, it is believed that the seguro desemprego has a positive effect on aggregate demand, labor market conditions, and employer investment strategies.<sup>46</sup> A job creation program has also been established, using public sector financing, that provided 970,000 jobs in 1986.<sup>47</sup> According to Labor Secretary Sarti, beyond maintaining wage levels, it has been the generation of employment rather than avoiding strikes that has been the main concern of the labor authorities.<sup>48</sup> However, the increasing levels of unemployment generated by the economic crisis have also hindered the success of the government job creation program. At best, then, it can be viewed as yet another partial compensatory device in the face of adverse economic conditions.

In addition, besides receiving the regular increases allowed by the gatilho salarial, the minimum wage could eventually benefit from an innovative government reform first proposed by officials of national labor administration. According to Labor Minister Pazzianotto, under the proposal all future wage adjustments will use the dollar as a "reference base" and the minimum wage will be increased so as to eventually reach the monthly equivalent of 120 dollars (it is currently roughly equivalent to 60 dollars per month).<sup>49</sup> The idea, of course, is to maintain the real value of the minimum wage by tying it to a fixed value in stable currency which is both fair and yet competitive with other national wage scales (for example, the minimum wage in Colombia is also roughly

equivalent to 120 dollars per month). To the proposed minimum wage reforms can be added a major overhaul of the national social security system that is designed to extract less from and deliver more benefits to the least advantaged classes, including the unemployed, pensioners, and single parent families. This includes raising employer contributions as a percentage of the tripartite (employer, employee, state) contribution to social security, increasing federal support for state welfare programs, and implementing benefit readjustments tied to the rate of inflation (which resulted in monthly increases of 19-49% in the last half of 1986 and first quarter of 1987.<sup>50</sup>

In fact, despite its relative lack of success to date, there has been a major effort to restructure the provision of basic public goods such as social welfare and public health services since the democratic regime was installed. That is, "with the country's redemocratization in 1985, different and profound politico-administrative measures were adopted in order to moralize and modernize collection and accounting systems, to increase the participation and social control of organized representatives of both employers and employees in the system, and to systematize and increase the administrative and managerial efficiency of the network's agencies."<sup>51</sup>

This overhaul, which was actually begun shortly before the assumption of the new regime, included the creation of an executive council charged with restructuring national health services, integrating the activities of the ministries of Health, Social Welfare, and Education with each other as well as with state and municipal agencies, and overseeing the creation and implementation of Integrated Health Plans (Ações Integradas de Saude or AIS) which are designed to ensure effective federal control over and local integration into the national public health system. This has resulted in a 6.4% increase in federal

funds allocated for public health through the end of the decade, the signing of numerous conventions with state and municipal agencies which increased the numbers of participating agencies from 132 at the end of 1984 to 644 by the end of 1985, and which has extended the range of potential patient coverage to 70% of the population. As a result, patient admissions to public hospitals and clinics increased 18.07% during the same period, and was paralleled by a 15.56% increase in federally-supported university hospital admissions. However, all of this progress notwithstanding, it remains clear that the government's initiatives in this area have failed to meet the social and political expectations generated along with the return to democracy in Brazil, since they continue to fall short of providing for the basic needs of a large fraction of the population. That is to say, the new social perspectives generated in the population by the process of redemocratization broached the possibility of new horizons for health and welfare based on notions of fairness, egalitarianism, and basic human rights, and yet at present continue to be very much a delayed promise.<sup>52</sup> To this can be added the continued frustrations encountered by the government when implementing these and other reforms such as its originally ambitious land redistribution program. Like other reform packages, the latter has been subverted by land owner resistance (including murder, intimidation, and bribery of officials representing both the government and landless peasants), and therefore also continues to be much of a delayed promise and frustrated hope. Not surprisingly, in response there has been a wave of land take-overs and illegal squatting that has fueled the cycle of violence and mutual resistance. Even so, and in spite of these drawbacks, the point to be emphasized again is that at the level of government initiatives, the democratic regime has in fact embarked on a program that attempts to erect the broad institutional foundations



for labor incorporation in the process of democratic consolidation. It may be a delayed promise, but it is also a seemingly sincere one.

Beyond economic and social areas of immediate labor concern, the government has embarked on a program that is designed to increase investment levels in a wide range of productive activities. Financed by 200 billion cruzados in public funds that otherwise would have gone towards servicing the foreign debt, the government hopes to thereby avoid a recession and revitalize those sectors where there have been supply bottlenecks, including electric energy, smelting and steel mills, transportation, civil construction, ship-building, and agriculture.<sup>53</sup> The government has proposed to continue the recent trend which saw the rate of investment rise from 17.3% of the Producto Bruto Interno (Gross Domestic Product, or PBI) in 1985 to 19.6% in 1986, and which needs to rise to at least 21% by 1988 if a 7% real annual growth rate is to be achieved (but which nonetheless is considerably less than the 25.4% average of the period 1974-1984).<sup>54</sup> Since the 1987 figures indicate a strong possibility of decreases in the overall (particularly private) rate of investment, the government has launched an ambitious public investment scheme. This re-emphasis on public investment not only attempts to defray the social costs of production, it also intends to revitalize the dynamic components of the economy by restoring domestic investor confidence and realigning private investment levels along with the requirements of a real growth rate of 7%.<sup>55</sup> Needless to say, this project will have a decided impact on other economic concerns, particularly employment and real wage levels. In this regard, however obliquely phrased in terms of labor concerns strictly defined, it is clear that the government-promoted public investment program constitutes a form of structural adjustment mechanism that underpins the other economic elements of its labor strategy.<sup>56</sup>

The third level of operation involved in the government's external approach to organized labor is that of the administrative process, i.e., the administrative actions (or inaction) of the state in the labor relations field. Here the government's orientation has been characterized by its deliberate inaction, rather than by its actions. More specifically, it was decided that national labor administration would deliberately refrain from exercising the full range of prerogatives awarded it by the CLT. This came in the form of a policy directive from the Labor Minister upon his assumption of office that ordered that the MTb would henceforth not meddle in the internal affairs of unions, and would generally refrain from using its powers of intervention when confronting strikes. Instead it would direct its energies towards encouraging direct negotiations between labor and capital.<sup>57</sup> This orientation was evident during the Dockworker's strike of March-April, 1987, when the MTb continued to encourage negotiations after the strike was declared illegal by the TST, something that according to the CLT should have automatically entailed the intervention of the Marítimo unions. Likewise, and possibly because of the MTb approach towards the Dockworkers' strike, the TST delayed ruling on the legality of the March, 1987 petrochemical workers strike (despite it having occurred in an economic activity deemed to be an essential service) long after the original expiration date for such a ruling, and despite vociferous employer protests that the law be enforced.<sup>58</sup> In addition, both agencies refrained from exercising their authority during the week-long bank workers' strike in late March, 1987, which among other things prevented strikers from being punished once the strike was settled. In fact, all of these strikes were eventually settled via negotiations, often on terms below the original labor demands (with the bank workers actually returning to work without having gained any significant concessions from the banks, both

public and private). Even so, this policy has been applied selectively in order to discourage wildcat or system-wide strikes in essential areas. Thus a public transportation strike in São Paulo was rapidly declared illegal in mid-April 1987 and subjected to prompt MTb intervention, whereupon it collapsed in two days. A similar scenario occurred during the August 20, 1987 general strike, where the government and employers combined selective intervention and repression (most often on the part of state governments) with economic incentives (in the form of a 250 cruzado across-the-board wage increase decreed by the government and employer-provided wage readjustments for cooperative unions on the eve of the strike) in order to weaken its support--a tactic widely considered to have been successful. The attitude of the MTb towards strikes can therefore be characterized as one of gradual relaxation of legal restrictions and selective (and relatively mild) enforcement of its external powers of intervention, particularly with regard to economic strikes that are sectoral in nature.

The relaxation of national labor administration's enforcement authority has nevertheless spawned a veritable wave of strikes. Official government statistics show that in 1985 there were 843 strikes, followed by 1,493 in 1986 (a 77% increase), and 400 in the first three months of 1987.<sup>59</sup> A confidential intelligence report prepared for the president shows the figures to be even higher, with 1,289 strikes in 1985, and 2,282 strikes in 1986.<sup>60</sup> However, the wave of strikes does not overly concern the labor authorities. For one thing, they are believed to serve as an "escape valve" for accumulated social tensions that if otherwise unreleased could result in a social explosion.<sup>61</sup> For another, they are seen as an inevitable part of the (admittedly painful) process of sectoral maturation that constitutes an essential element of the move towards democratic consolidation. Weaned on a tradition of sectoral confrontation and state

paternalism and interference, labor unions are now believed to be in the process of discovering the value of non-confrontational strategies, albeit having first resorted at length to the long-suppressed strike activities that are their ultimate "weapon." Thus, the number of workdays lost in strikes actually fell some 34% from 1985 to 1986, and almost 75% in the first two months of 1987 when compared with the same period in 1986. Similarly, the average duration of strikes decreased from 7.4 days in 1985 to 4.5 days in 1986, and was at 5.1 days through the first quarter of 1987.<sup>62</sup> This leads the government to believe that the labor maturation process is taking effect, and that strikes are getting both shorter and taking on more of a sectoral nature due to the increased propensity of union leaders to negotiate in order to receive concrete gains rather than strike for symbolic purposes. Hence, after the decision to cancel interest payments on the foreign debt was announced, the national labor movement was left without one of the main reasons for calling a general strike. Not surprisingly, the move for a national work stoppage was only ressurected after the plan to eliminate the gatilho salarial was announced. Even so, as mentioned above, even then adherence to the general strike called in August 1987 was far below the expectations of its leaders.

According to Ricardo Bladino, president of the CGT, the reason for the reluctance to call national strikes is because such strikes play into the hands of international banks and the far right by destabilizing the government at a time when it needs united domestic support.<sup>63</sup> The CUT leadership, however, see the situation quite differently. For the CUT, the decision to suspend interest payments on the foreign debt is little more than a "populist game" on the part of a government that lacks the courage to make the fundamentally political decision to suspend debt payments entirely.<sup>64</sup> Hence, the underlying causes for

the lack of national mobilization lie elsewhere. According to Jair Meneguelli, president of the CUT, the moment for general strikes remains problematic because "there exists an incapacity for mobilization. The rank and file are preoccupied with their immediate needs and with the climate of recession and unemployment that grips the country, all of which contributes to demobilization."<sup>65</sup> In other words, the depth of the current economic crisis has forced the rank and file to engage in daily survival strategies that work against support for symbolic, overtly political, national strikes. Instead, the emerging pattern of strikes suggests that the rank and file and national labor administration share a perspective with regard to immediate concerns--employment stability and protecting real wage levels--which in terms of labor strategy removes rank and file motivations for general strikes that are more political referendums than attempts at economic revindication. Apparently, neither the government or local unions are desirous of calling for such a referendum, given current economic conditions. This was underscored by the refusal of the largest São Paulo metalworkers union to join in the August, 1987 national strike, something which not only contributed to the latter's at best partial degree of success, but to the further polarization of the labor movement as well (especially among those unions affiliated with the CGT, to which the São Paulo Metalworkers Union belonged, and which had supported the strike).

Whatever the motivations involved, the attitude adopted by national labor administration towards strikes is congruent with a generalized belief in Brazilian society that strikes are legitimate means of economic defense and revindication.<sup>66</sup> This congruence with the rising tide of democratic sentiment (or at least increased tolerance) within civil society--which may also explain the concrete and sectoral as opposed to symbolic and national character of

current strike behavior--gives the MTb and its associated agencies the appearance of being one of the "more democratic" and "pro-labor" branches of the state apparatus (as opposed to the different military-related ministries and the producer-oriented Ministério de Fazenda). As such, it is viewed by organized labor as a potential toehold within the state that could help its quest for incorporation in the process of substantive democratization at the institutional level.

It is also possible that the government has deliberately refrained from exercising the full range of powers accorded it by the CLT in order to sensitize Brazilian capital to labor concerns. Under the authoritarian labor legislation, organized labor was prevented from fully demonstrating its (potential) strength, and employers were consequently insulated from many of the social realities that enveloped the labor movement. This insulation became particularly acute after the 1964 coup, when repression forcibly imposed a high degree of labor silence on a broad range of issues. Hence, for a long time Brazilian capital has been able to avoid addressing many substantive concerns of the working classes, secure in the knowledge that any mobilization would encounter decisive government opposition (often in the form of outright repression). However, as of 1974, the situation gradually began to change, and the present government may well be using its lack of enforcement of the authoritarian labor codes as a means of encouraging honest negotiating behavior among employers. It can therefore be seen as a strategy that attempts to promote a form of conscience-raising among Brazilian capitalists, something which in turn is designed to help change traditional confrontational attitudes that run counter to the cooperative, negotiated, and equitable relationship with labor that is deemed vital for substantive democratic consolidation. Coupled with the previously-mentioned

tripartite and bipartite initiatives and the proposed legal, economic and political reforms, this administrative approach constitutes part of the larger effort to promote negotiated settlements as the foundations of a new democratic labor relations system.

It should be remembered, though, that despite the varied and interlocked nature of this three-pronged labor strategy, the success of the government's external project vis-à-vis organized labor remains uncertain and subject to many disruptions. For one thing, several important sectors in Brazilian society are not as inclined to view labor incorporation in the political process in such a favorable light. For these sectors, labor mobilization (for them evident in the rising tide of strikes) is coterminous with rising crime rates, increases in narcotics usage, vandalism, delinquency, moral and material corruption, and a host of other social pathologies associated with the libertarianism they believe inevitably emerges along with democracy in societies (such as Brazil) with a politically "immature," "uneducated," or "uncultured" general population. This view is held by influential sectors such as the armed forces hierarchy, conservative political groups of various stripes, and even the right wing of the PMDB. For example, many business interests have gone on record to complain about government permissiveness and indecision when confronting labor, especially with regard to its attitude towards strikes.<sup>67</sup> In addition to such criticism, some of these sectors actively worked to subvert the Plano Cruzado and even pressed extortative demands on labor during one of the worst moments of the economic crisis: witness a February 1987 announcement by FIESP (the largest São Paulo industrial association) that it would not negotiate its decision to unilaterally impose a 48 hour minimum work week. Even if not successful in such efforts, it is evident that these groups are actively trying to complicate the

government's strategy in order to return to some semblance of the status quo ante.

These sentiments find echo within the armed forces and certain sectors of the government. Within the military hierarchy, recent labor mobilizations have been seen as "scary" and "surprising" and are believed to reflect a "modismo de greves" (strike fad) that is "revindicativa demais" (overly revindicative).<sup>68</sup> For this reason, the armed forces have seen fit to arbitrarily exercise their authority in appropriate areas as a form of cautionary note to both the government and labor. As a senior military officer is reported to have said, "If they do not listen to the force of our arguments, then they will listen to the argument of our force."<sup>69</sup> Thus, during the dockworkers strikes of March 1987, and disregarding the non-interventory stance of the MTh, Navy Marines were sent in to ensure safe operation of the ports, particularly the loading and unloading of foreign vessels. Since ports come under the authority of a Naval Officer (the Captain-General of the Port), and since shipping is considered to be an essential service, the Navy felt well justified in unilaterally acting to ensure continued operations in this area. Likewise, during the Petrochemical workers strikes of the same period, Army troops were sent in to guard refineries and other installations. Unlike the Navy Marines, Army troops did not perform the tasks that otherwise would have fallen to the strikers. This pattern has been repeated several times, such as in late September, 1987, when the Army sent troops into the Itaipú dam complex on the Paraná River in order to break up a strike, with the ensuing clashes with workers resulting in several serious injuries. In each case, justification for military intervention was given on the grounds that it was a vital economic sector that could not be disrupted. More importantly, none of these military interventions were foreseen, authori-



zed, or condoned by the MTB or TST (or any other civilian-dominated branch of government for that matter), which points to the precarious nature of both the government's position and its labor strategy during the current period of crisis (to say nothing of the fluid internal balance of power between civilian and military forces in government).

Similarly, conservative members of the PMDB and the PDS have blamed the Labor Ministry, and Minister Pazzianotto specifically, for both the permissive attitude towards labor and the failure of the initial attempt at reaching a social pact. Some have even accused Pazzianotto (not entirely without reason) of being more interested in cementing the foundations for a future run at the governorship of São Paulo than in improving the national labor relations system. Other branches of government, particularly the Ministério de Fazenda, have also been open in their disagreements with national labor authorities. All of this has contributed to what some believe is the increased isolation of the Labor Ministry from the rest of the executive branch, although the personal relationship between Minister Pazzianotto and President Sarnay is considered to be excellent (despite their well-known ideological differences). Ironically, this may only point to the fact that both of them are becoming increasingly isolated from the rest of their already seriously divided party, something which is reflected in the different--when not opposing--attitudes adopted by rival PMDB factions in Congress and by branches of the state apparatus controlled by members of different PMDB currents.

On the other side, large sectors of the labor movement see the government's "liberal" strategy as little more than a tactical diversion and procedural vaneer that is designed to mask the continuing authoritarian components of the labor relations system. Their preference for confrontation over cooperation,

often couched in "extremist" (read Marxist) ideological terms, has further undermined the government's program in the labor field.<sup>70</sup> This has served to harden the stance of the most anti-labor sectors of society, which perpetuates the cycle of mutual distrust and zero-sum sectoral attitudes the government has attempted to overcome. All of this augers poorly for the success of the new labor policy, particularly given the constraints imposed on the government's range of action by the economic crisis.

Such contratemps, internal contradictions, and contextual constraints notwithstanding, what is ultimately important to consider is that, on an external plane, labor policy has shifted significantly under the new democratic regime. This has been evident on three interrelated levels of operation ranging from abstract pronouncements in favor of a social pact to concrete proposals to incorporate organized labor into decision-making bodies, and to programs that are designed to democratize the national labor relations system, stimulate domestic investment, preserve the real wage, increase employment levels, and expand social security benefits to the least advantaged sectors of the population. Labor Minister Pazzianotto summarized this new perspective as follows. "On the part of the Federal government there were radical changes in posture...Besides the studies designed to modernize and democratize laws relating to collective bargaining and strikes, the government of the Nova Republica has not made use of old and actual legal provisions that allow it to repress work stoppages and administratively intervene in labor organizations by removing or firing elected union leaders. In effect, practices were abandoned that had been habitual under previous governments, and today no Brazilian union leader feels threatened by the Federal government when exercising his responsibilities."<sup>71</sup>

In effect, it is at the most basic levels of activity--freedom from persecution when pursuing the right to free association and unfettered exercise of sectoral expression--where the primary benefits of redemocratization have been most immediately felt in the labor field. This is most specifically due to the government's inaction in a range of labor-related areas that had previously occupied a major part of the state's attention. Moreover, through these acts of commission and omission, the government's labor strategy has attempted to extend the benefits of redemocratization beyond the most basic levels and throughout the labor relations system. In this fashion the government of the Nova Republica has moved to broaden the range of choice made available to organized labor (at least when compared with past experience) while simultaneously encouraging the adoption of a more select range--concertative participation, union democratization, political expression through parties, and autonomous collective bargaining--which it considers to be the institutional bases for democratic class cooperation, if not compromise. The success at establishing such institutional bases is considered to be an essential element in the overall process of substantive democratic consolidation.<sup>72</sup>

In fact, without belaboring the point and recognizing that many parts of the dominant political elite may have no interest in such a project, and that it should ideally be achieved before the conquest of political power, it can be argued that the external dimension of the government's labor strategy constitutes a core element of a larger hegemonic project that is designed to cement the foundations for the perpetuation of bourgeois democracy in Brazil. The reasons for such a claim stem from the fact that "ruling groups do not maintain their hegemony merely by giving their domination the aura of moral authority through the creation and perpetuation of legitimating symbols; they must also

seek to win the consent of subordinate groups to the existing social order."<sup>73</sup> Hence, according to Gramsci, hegemony requires of dominant groups that "account be taken of the interests and tendencies of the groups over which hegemony is to be exercised, and that a certain balance or compromise be formed--in other words, that the leading groups should make sacrifices of an economic-corporative kind."<sup>74</sup> As a form of economic-corporative and political compromise based on a specific mixture of (superstructural) consent and concessions, the hegemonic system of necessity has the state as its centerpiece, since "the State is the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent of those over whom it rules."<sup>75</sup> It is consequently through the state that "the dominant group is coordinated concretely with the general interests of the subordinate groups."<sup>76</sup> All of this points to the fact that "as important as material conditions are as a basis for hegemony, political and ideological conditions are even more important. The hegemonic system is political in that it uses the state apparatus as its central organ. Political class consciousness is the basic underpinning of the hegemonic system, and it coexists with the corporate economic interest that propels the economic machine of the capitalist system."<sup>77</sup>

Using national labor administration as the instrument of application, the democratic government installed in 1985 has endeavored to make the economic, corporate (legal), and political concessions that are designed to secure labor consent to the perpetuation of democratic capitalism in Brazil. It should be equally obvious that many obstacles remain before bourgeois hegemony is achieved in Brazil. The point is that (whatever its ultimate success), after a long period of authoritarian domination (dominio) in which organized labor was

excluded from the political process and in which neither labor consent or bourgeois concessions were granted, the advent of procedural democracy has brought with it the possibility, however remote it may appear, of promoting a hegemonic project oriented towards achieving a class compromise that would strengthen the process of substantive democratic consolidation in that country. More pertinent to the discussion here, it is only through the actions of the state that such a project will be realized, something that appears to be evident in the current thrust of the government's external labor strategy. With that in mind, we can now turn to examine the "internal" facet of the new labor strategy, something which is manifest in the structure, budget, and personnel employed in national labor administration.

#### IV. The Internal Face of Labor Administration, 1985-1987

##### A. Structure.

The responsibilities of the MTb and its dependent agencies are outlined in Article 1 of decree 81,663/May 16, 1978. They include all issues related to "organized labor, both syndical and professional, workplace health and safety fiscalization, labor market factors, employment, wage, and immigration policy."<sup>78</sup> As mentioned earlier, there are no longer any provisions for social security or welfare functions, which fall under the jurisdiction of the MS, MPAS, INPS, and other related agencies. Hence, national labor administration is formally charged with overseeing a relatively narrow range of more immediate professional concerns connected with the labor market and employment context per se. This is a far more restricted role than that envisioned under the original design outlined by Vargas, and is a product of the structural and political

changes in the labor-capital relationship that have occurred since the Estado Novo, particularly after 1964.

Under this more restricted scheme, six functional areas are identified by article 2 of decree 81,663/78, each having an organizational "cylinder" comprised of several horizontally-linked agencies that are vertically subordinated to the office of the Minister. There are Orgaos de Assistencia Direta e Immediata Ao Ministro do Estado (Agencies of Direct and Immediate Assistance to the Minister), which include the Minister's cabinet (Gabinete), Legal Counsel (Consultoria Jurídica or CJ), Security and Information Division (Divisão de Segurança e Informações or DSI), and Social Communications Coordinator (Coordenação de Comunicação Social or CCS); Orgaos Colegiados (Associated Agencies), including the National Council on Wage Policy (Conselho Nacional de Política Salarial or CNPS), Federal Workforce Council (Conselho Federal de Mão-de-Obra or CFMO), Superior Council for Maritime Labor (Conselho Superior do Trabalho Marítimo or CSTM), Labor Law Commission (Comissão de Direito do Trabalho or CDT), National Council on Employment Policy (Conselho Nacional de Política do Emprego or CNPE), and Consultative Commission on Artisanal Labor (Comissão Consultiva do Artesanato or CCA); Orgaos Centrais de Planejamento, Coordenação, e Controle Financeiro (Central Planning, Coordinating, and Financial Control Agencies), including the Secretary-General (Secretária-Geral or SG), and Comptrolor (Inspeccoria Geral de Financas or IGF); Orgaos Centrais de Direção Superior (Centralized Direction Agencies), including the Workforce Secretariat (Secretária de Mão-de-Obra or SMO), Wage and Employment Secretariat (Secretária de Empregos e Salarios or SES), Labor Relations Secretariat (Secretária de Relações do Trabalho or SRT), Labor Medicine and Safety Secretariat (Secretária de Segurança e Medicina do Trabalho or SSMT), Social Promotion Secretariat

(Secretária de Promoção Social or SPS), Immigration Secretariat (Secretária de Imigração or SIMIG), Personnel Department (Departamento de Pessoal or DP), and Administrative Department (Departamento de Administração or DA); Orgaos Regionais (Regional Agencies), including Regional Labor Delegations (Delegacias Regionais do Trabalho or DRT's) and Maritime Labor Delegations (Delegacias do Trabalho Marítimo or DTM's); and finally, Orgaos Autonomos (Autonomous Agencies) such as the Special Fellowship Service (Serviço Especial de Bolsas de Estudo), and National Rural Labor Training Service (Serviço Nacional de Formação Profissional Rural). Several other agencies are also directly linked to the Minister's office: the National Industrial Training Service (Serviço Nacional de Aprendizagem Industrial or SENAI), National Commercial Training Service (Serviço Social da Industria or SESI), Commercial Social Service (Serviço Social do Comercio or SESC), and the Jorge Duprat Figueiredo Foundation for Labor Medicine and Safety (Fundação Jorge Duprat Figueiredo de Segurança e Medicina do Trabalho or FUNDACENTRO).

Within this organizational framework there exists a clear division between internal support and administrative functions (known as atividades meios) and external control, coordination, and oversight activities (atividades fins). Internal functions are directed by the Secretary-General, who also serves as the Acting Minister when the incumbent is not in residence. The Administrative Department handles internal logistical-management responsibilities, and is linked to the federal Sistema de Servicos Gerais (General Services System). The Personnel Department is responsible for all personnel matters (recruitment, promotion and dismissal schedules, merit increases, etc.), and is connected to the Sistema de Pessoal Civil da Administração Central (Civil Service System of the Central Administration). Before its elimination, the Comptrolor's office

handled all budgetary and accounting duties, which have since been separated and dispersed among other agencies.

It is apparent that despite its more restricted scope of concerns, there has been a diversification, organizational decentralization, and hierarchical compartmentalization of functional tasks within Brazilian labor administration since 1978. This again reflects the increased range of labor concerns now being technically defined, as well as the recognition that these concerns have to be institutionally addressed by the state as part of the process of democratic transition.

The external responsibilities of the MTb have been functionally compartmentalized and subdivided into overlapping formulation and implementory categories. The formulation responsibilities are divided among the various Orgaos Colegiados and the Secretarias of the implementory branches in areas directly related to them. Each Secretaria is the lead agency of an implementory branch. With regards to professional training programs, the CFMO and CCA draw up policies which are implemented by the SMO; wage, labor market, and employment policies are formulated in the CNPS and CNPE, then implemented by the SES; labor legislation interpretation and reform (including issues involving union recognition, collective bargaining, etc.) is carried out and formulated by the CDT and enforced by the SRT. It should be noted that there is no formal or direct link between the formulative and implementory spheres, since the Minister (using inputs from both sides) mediates between them and has ultimate decision-making authority. There also exist many areas of overlap where two or more agencies are involved at both levels, or in which upper-echelon personnel occupy positions in both formulative and implementory agencies. Even so, it is evident that a hierarchical division of labor exists between policy-formulation and



policy-implementation agencies encompassed within the external, atividade fim functional area.

In terms of specific implementation responsibilities, the SMO handles all federal job training programs; the SES constitutes the center of the Sistema Nacional de Emprego (National Employment System), and has a major role in determining incomes policy (since it is the agency charged with primary responsibilities for determining when wage adjustments should be implemented); the SSMT is charged with all matters related to labor medicine, safety, and hygiene, and therefore has major inspection and control responsibilities; the SPS oversees syndical social promotion activities (i.e. educational, cultural, and recreational facilities, etc.); and the SIMIG is responsible for labor-related matters connected with immigration and migration. The SRT has the primary tasks of union registration and recognition, collective bargaining, mediation, arbitration, electoral and financial oversight, and in conjunction with the SSMT through the Delegacias Regionais, workplace inspection. As a result, it is the main institutional referent for organized labor's professional concerns, and thus is a major instrument in the structuring of working class interests in Brazil. As such, the SRT is the "first among equals" in the external functional area, in a down-scaled version of the centralized structure inherited from the Estado Novo.

With regard to hierarchical structure, each Secretária in the external branches has an Asesoria (Advisory Office), 2-4 Subsecretárias (Assistant Secretaries), several functionally-defined department-level Coordenadoras in specific project areas, plus auxiliary services. In total, there are 7 hierarchical levels: Minister, Advisory Agencies, Secretariats and Secretary-

General, Assistant Secretary (in the external branches) and Secretaries (in the internal branches), Coordenadoras or Departments, Divisions, and Sections.

The advent of the democratic regime has not substantially altered the formal structure of the MTb. Within the internal branches charged with atividades meios, Secretárias-Geral Adjuntas (Adjunct Secretary-Generals) were created in the areas of Assuntos Técnico-Financeiros (Technical-Financial Affairs) and Assuntos Jurídico-Administrativos (Legal-Administrative Affairs). The former occupies the place of the IGF, and oversees two Secretariats, Orçamento e Finanças (Budget and Finance) and Planejamento (Planning), which have specific planning and budgetary control responsibilities. The latter oversees a Secretaria de Modernização Administrativa (Administrative Modernization Secretariat) charged with administrative reform and planning, a Secretaria de Orgaos Regionais e Colegiados (Secretariat of Regional and Associated Agencies) which supervises the autonomous and associated agencies, and a Secretaria de Estudos Especiais (Special Studies Secretariat), which is charged with special studies of both an external (policy) and internal (administrative-organizational) nature. Most importantly, it is through the Secretaria de Orgaos Regionais e Colegiados that the Secretaria-Geral Adjunta de Assuntos Jurídico-Administrativos is responsible for financing the DRT's and most of the labor inspection agencies formally under the jurisdiction of the SRT and SSMT.<sup>79</sup> In this way there is independent internal control over financial disbursements in a critical external area. In order to improve auditing and fiscal procedures, a Secretaria de Controle Interno (Internal Control Secretariat) was also created. Coupled with the continued presence of the DP and DA, this suggests that internal management decentralization and compartmentalization has brought with it considerable

overlapping of responsibilities (in an internal variant of the "bureaucratic rings" Cardoso has mentioned with reference to the Brazilian state en toto).

The external cylinders, including the Orgaos Colegiados, Centrais de Direção Superior, Regionais, and Autônomos, have not suffered any significant structural modifications under the democratic regime. Instead, the impact of regime change has been most strongly felt at the level of internal emphasis.

As mentioned before, there has been a deliberate internal reorientation of the MTb's mission which has shifted administrative concern towards responsibilities emphasizing negotiations and conciliatory functions over interventory powers. Coupled with the other political, economic, and legal reforms promoted by the government, this has given the SRT the most visible external role within national labor administration, and has thus made it the "major focus" of the new labor relations network.<sup>80</sup> This combination of internal and external reforms has in turn generated a host of external demands--particularly requests for arbitration, mediation, and legal competence--that fall within the purview of the SRT. In effect, there has been a series of mutually reinforcing internal and external pressures that emerged as part of the redemocratization process which have pushed the SRT to a position of prominence that belies the lack of structural modifications or its relatively weak bureaucratic presence within the MTb hierarchy. This enhanced role is in many respects just an organizational reflection of the renewed status of national labor administration as a whole within the state apparatus. As a result, some Labor Ministry officials believe that the MTb has moved from a second-rate portfolio under the military regime to that of a first-rate cabinet post in the Nova Republica.<sup>81</sup>

Other external areas have also received new emphasis, especially the SES and the SSMT. In all of its phases, the Plano Cruzado requires the active

participation of the MTb in determining wage rates, adjustment schedules, inflation indexes, and employment levels, all of which has raised the SES to a previously unknown position of institutional prominence (both within and without the MTb). Similarly, the increased emphasis awarded the technical responsibilities of the fiscais do trabalho (labor inspectors) has reaffirmed the primacy of both the SRT and SSMT, which jointly oversee the workplace inspection activities through the DRT's. Hence, while the external branches continue to display the hierarchical structure delineated by decree 81,633/78, they have undergone a considerable shift in emphasis as a result of the new government's democratic labor strategy. In this case, organizational decentralization of functional tasks offers a technically--justified complement to the quest for procedural neutrality and state autonomy in the labor relations field. This new organizational orientation can therefore be seen as the internal complement to the government's external initiatives in this policy area.

Finally, there is one agency whose diminished role must be identified and explained. The Divisão de Segurança e Informações (DSI) is formally defined as an agency of Assistência Direita e Imediata ao Ministro de Estado (i.e. of Direct and Immediate Assistance to the Minister). However, it is in fact a branch of the Serviço Nacional de Informações (National Information Service or SNI), the military-operated national intelligence service. Its responsibilities--which remain ill-defined and therefore difficult to completely ascertain--are oriented towards monitoring strike activity, identifying and cataloguing "subversive" elements and otherwise suspect or dangerous individuals and activities within the union movement, keeping tabs on the MTb's activities and relations with unions, and generally appraising the SNI of ongoing developments in the labor relations field. In this capacity it is a data collection branch of the

national intelligence service, one with a very specific mission that goes far beyond the elaboration of labor-related statistics. As such, it is not so much responsible to the Labor Minister as it is to the armed forces and the SNI. For example, the previously mentioned confidential report on strike activity prepared by the SNI for the president is believed to have originated in the DSI. The fact that the data on strike activity presented in its report differed significantly from the official figures issued by the Labor Ministry underscores its independence from ministerial control. Its continued presence after 1985 can therefore be seen as evidence of an enduring military interest in labor relations on security-oriented grounds, which points to the continued prevalence within the armed forces of "organic" notions of internal security based on the Doctrine of National Security originally elaborated some 25 years ago, and which run counter to the logic of labor incorporation that underpins the approach of the democratically elected civilian authorities. As such, the DSI represents one more enduring authoritarian legacy that has yet to be eradicated from Brazilian institutional life. Even so, relative to the previous regime, the activities of the DSI have been severely curtailed by the new labor authorities, and it is virtually--and very consciously--ignored by the ministerial hierarchy. Again, this de-emphasis stands in marked contrast to the active role that the DSI played in the MTb during the previous regime, which offers additional proof of the changed orientation of labor administration under the democratic regime.<sup>82</sup>

#### B. Budget.

The MTb, as an agency without responsibilities for furnishing public goods other than its technical expertise and inspection services, has consistently

received a small percentage of the central administrative budget, on average ranking penultimate among all ministries in monies received. Since 1985, the MTb budget has on average amounted to 0.3% of the total Federal budget, and 6% of the central administrative budget.<sup>83</sup> Of this, personnel expenses (salaries, severance, leave pay, etc.) constitute the largest budgetary category, having risen from 43% in 1984 to 63.4% in 1987.<sup>84</sup> The second largest budgetary category within national labor administration corresponds to logistical and infrastructural expenditures (including those related to workplace inspection functions), which ranged from 57% of the MTb budget in 1984 to 36.6% in 1987.<sup>85</sup> The shift in non-personnel outlays is interesting. Prior to 1986 the bulk of non-personnel expenditures were directed towards internal agencies with support and management responsibilities, most often for supplies, furnishings, and the like. However, since 1984 there has been a progressive redistribution of non-personnel outlays within the MTb that corresponds to its shift in external orientation. Internal expenditures unrelated to personnel outlays fell from 54.2% in 1984 to 39.7% in 1987 of the total spent on non-personnel categories, while external non-personnel outlays rose from 33.3% in 1984 to 50.2% in 1987.<sup>86</sup> This suggests that the changed external emphasis of national labor administration has prompted a corresponding shift in budgetary priorities, with a large amount of financial resources now directed towards providing a better level of service at the external level. Hence, the vast majority of these increases have occurred in programs such as the Serviço Nacional de Emprego (National Employment Service) operated by the SES, the Coordinadora de Fiscalização e Normalização do Trabalho (Labor Inspection and Normalization Coordinator) operated by SRT, the Programa de Preparação de Mão-de-Obra (Occupational Training Program) supervised by the SMO, and the Programa de Segurança e Medicina do Trabalho

(Labor Medicine and Safety Program) operated by the SSMT, as well as syndical support programs managed by the SEPS.<sup>87</sup> In effect, the shift in non-personnel outlays corresponds to the increased emphasis placed on improving the range of external professional services offered by national labor administration to its major "client."

In terms of personnel outlays, the budgetary distribution remains heavily weighed in favor of the internal branches, since it is there where most of the MTb personnel are employed. With regards to the external branches, most of the personnel outlays are directed towards the regional delegations (which are most directly involved in providing the services mentioned above), rather than towards those employed in the sede central in Brasilia.

One very significant change has occurred with regard to the imposto sindical. Prior to 1986, and whatever its original intentions, the 20% of the union tax designated for the state generally ended up being used for internal administrative expenditures within national labor administration. In fact, in 1984 41.2% of said expenditures were financed by the imposto sindical, and in 1985 this figure rose to 45.98%.<sup>88</sup> In general, half of the MTb's expenditures on non-personnel accounts has traditionally come from the imposto sindical. However, with the creation of the Seguro Desemprego (as part of the Plano Cruzado), as of 1987 the entire state share of the imposto sindical was designated for that fund. Anticipating these reductions, in 1986 the amount of non-personnel outlays derived from the imposto sindical fell to 21.4%, and as foreseen, in 1987 this figure was reduced to zero.<sup>89</sup> In parallel, the Custeio do Seguro Desemprego (Unemployment Insurance Fund) rose from 376.6 million Cruzados in 1986 to 5,800 million in 1987, an increase of 1,400%.<sup>90</sup>

What is most interesting to note is that elimination of imposto sindical financing of MTb non-personnel accounts has generated serious disagreements over its impact on the autonomy of national labor administration. One line of thought holds that the transfer of funds derived from the imposto sindical to the Seguro Desemprego has diminished the material need for those outlays within the MTb and associated agencies, thereby increasing labor administration's formulative and operative autonomy relative to the unions.<sup>91</sup> Another line of thought takes just the opposite view, arguing that the elimination of the imposto sindical contribution to non-personnel outlays makes national labor administration more dependent on other branches of the state (especially the Ministério de Fazenda and Congress) for the money it otherwise would receive through the imposto sindical. Since outlays remain relatively constant despite the climate of fiscal crisis, this has forced MTb officials to go "com o chapéu na mão" (with hat in hand) to ask Congress and Fazenda for additional funds to make up the difference.<sup>92</sup> Thus, while it may be politically expedient to have transferred the imposto sindical contribution to a highly visible public good, and while it may contribute to the formulative autonomy of the MTb vis-à-vis organized labor, this argument holds that it has also been managerially inexpedient, since it diminishes the operative autonomy of national administration relative to other branches of the state. Since Brazilian labor administration has always enjoyed a relatively high level of autonomy with respect to the working classes, this argument seems to be particularly pertinent here. In any event, what it has done in a positive vein is remove the vested financial interest that labor administration traditionally had in seeing that labor remained unorganized in a variety of productive areas. For this reason, it is a significant step on the road towards democratic consolidation.



With regard to the manner in which resources are distributed within national labor administration, the procedure is as follows. On the Minister's and Secretary-General's recommendations, the Budget and Finance Secretariat formulates an annual budget based upon figures supplied by lead agencies in each functional sub-field (Secretariats and Departments), which is then submitted to the president. The president revises the budget proposal after discussion in cabinet meetings and with the advice of the Ministério de Fazenda. It is then returned to the MTb for final review and, if needed, revision. Once the draft budget proposal is approved by the Executive Branch, it is sent to Congress, where it undergoes revisions deemed necessary by both houses. These revisions are the product of much debate and negotiation at the committee level before they reach the full House and Senate for final votes. Once the budget is approved by Congress, it is distributed within the MTb and associated agencies according to a revised schedule maintained by the Budget and Finance Secretariat. Part of the MTb budget is administered by the Secretary-General through the Adjunct Secretary-General for Legal-Administrative Affairs (especially that which is destined for external branch financing). All other disbursements are administered by the Internal Control Secretariat, which answers directly to the minister and which carries out comptroller, accounting, and related fiscal control activities through several specialized agencies. What there is, in effect, is a relatively centralized process of budgetary formulation, and a relatively decentralized process of budget distribution, in which the main agencies involved in the former do not carry out primary obligations in the latter. This division of labor is designed to more equitably and objectively administer the flow of resources within national labor administration, thereby diminishing the possibility of arbitrary or discretionary criteria intruding upon the distribution process.

C. Personnel.

As of late 1986 there were 12,700 employees engaged in centralized agencies of national labor administration (MTb sede central and TST), a reduction of 300 relative to the amount employed at the onset of the democratic regime in April, 1985.<sup>93</sup> To this can be added the 8,758 agents employed in the DRT's.<sup>94</sup> With a total of 21,458 employees, Brazilian labor administration (as one might expect from a country with its size and demographics) is the largest such state agency in South America. Even so, this figure represents just a tiny fraction (0.01%) of the total number of agents employed by centralized agencies of the federal government. In this sense, the MTb derives its cabinet status from its strategic location in an area of political activity that is a "core" functional concern of the state (as does other relatively small cabinet level agencies such as Intamaraty, the Foreign Ministry), rather than from the human and material resources it commands.<sup>95</sup> That is to say, it is the nature of its "core" functional task, as opposed to the range of public goods that it provides and resources that it controls, that award national labor administration equal rank with far larger branches of the state apparatus.

A large number of those formally assigned to centralized agencies of the MTb are in fact attached to various orgaos vinculados. Most of these are found in the Serviço Nacional de Formação Profissional Rural (National Rural Professional Training Service or SENAR), which has 1,756 employees. The majority of employees, however, are engaged in administrative and support functions encompassed within the internal, atividade meio areas. This includes 9,363 agents assigned to agencies subordinate to the Budget and Finances Secretariat (70% of the total employed in centralized agencies), 471 assigned to the Administrative Department (4.1%), 435 attached to the Secretary-General (3.4%), and 267

employed in the Personnel Department (1.6%). The Minister's cabinet, which has a dual role (albeit with a heavy external orientation at the moment), employs 253 agents, or 1.9% of the MTb total. As for the external branches, the breakdown of personnel figures includes 84 attached to the SRT (0.8%), followed by 74 in the SSMT (0.6%), 66 in the SES (0.5%), 60 in the SEPS (0.4%), 53 in the SIMIG (0.3%), and 45 in the SMO (0.2%).<sup>96</sup> From this picture it is clear that the vast majority of those employed in centralized agencies of the MTb discharge functions within branches responsible for financial and personnel matters. By inference, it is also apparent that those employed in the external branches, although a numerical minority, disproportionally represent the more specialized personnel categories in national labor administration. This is especially true if we factor in the DRT's, as we shall see below.

The largest personnel category in national labor administration is that of administrative agents (clerks, secretaries, etc.) followed by accountants, security, and other service staff. The majority of these positions are located in agencies responsible for administrative and other internal functional tasks. The external branches also contain large numbers of administrative agents, but here the percentages are more equitably distributed with personnel with higher levels of specialization such as sociologists, economists, lawyers, managers, and the most uniquely qualified of all, "syndical assistants" (whose precise qualifications and functions I must confess to be unable to adequately explain). This distribution, with its emphasis on specialized skills, is even more pronounced in the DRT's, where the largest personnel category is that of labor inspectors (fiscais do trabalho), followed by administrative staff, medical doctors, engineers, and the ubiquitous syndical assistants.<sup>97</sup> For example, in the largest regional labor delegation, that of the state of São Paulo (which

along with the DRT's in Rio de Janeiro, Minas Gerais, and Rio Grande do Sul comprise DRT Group 1, the biggest and most important regional delegation), there are 904 inspectors, 66 engineers, and 44 medical doctors out of a total staff of 1,700. Together, this staff is responsible for monitoring 470,000 firms and 6 million workers.<sup>98</sup> This points to the fact that, the government's best intentions notwithstanding, Brazilian labor administration has considerable room for improving the range and scope of its services.

From this outline we can see that the external responsibilities of national labor administration, both centralized and decentralized, require a relative high percentage of specialized personnel, even if the total number of agents engaged in such tasks is not the largest portion of those employed throughout the labor administration system. Given the nature of the tasks in question--workplace inspection, occupational health and safety, labor market analysis, wage rate determination, labor legislation reform, etc.--this should not be entirely surprising, even when factoring the somewhat nebulous specializations of the syndical assistants. Like most organizations with a specialized function, there is a large body of support personnel working on behalf of the more specialized personnel who discharge labor administration's most important tasks.

As a curious sidelight, it is worth noting that of the 29 employees working in the DSI, 5 are classified as information analysts and 1 is classified in the unique category of National Security Mobilization Analyst.<sup>99</sup> It is also worth mentioning that in the DSI and elsewhere, employment levels have dropped markedly after a hiring freeze was imposed on the federal bureaucracy by the original Plano Cruzado. As mentioned before, this has reduced the total number of employees both relative to the military regime (despite the expanded scope of external activities), and relative to estimated maximum efficiency size require-

ments.<sup>100</sup> In this regard, national labor administration has been one of the few areas of the state apparatus in which there has been a deliberate attempt to implement a hiring freeze according to the Plano Cruzado's guidelines.

The sex distribution of Brazilian labor administration shows a familiar patriarchal pattern, whereby the majority of employees are women engaged in middle and lower echelon internal management (atividade meio) positions, while the minority of male employees are disproportionately represented in higher-echelon and more specialized positions in external branches. Even so, some advances have been made under the democratic regime. One of the Secretariats, the SES, is headed by a woman, several of the Minister's main advisors are female, and a handful of women occupy positions as heads of divisions, etc. However unintentionally, this may be evidence of a (sexual) democratizing trend within national labor administration. If so, it is a small yet significant microcosmic step towards substantive institutional democratic consolidation.

With the advent of the democratic regime, the entire decision-making cadre in the MTb (down to the department level), the so-called "confidence" or "political positions," was replaced. The current leadership is occupied by a mixture of PMDB adherents and specialists in labor relations, with a pronounced tendency towards backgrounds in labor-management issues and politics in the state of São Paulo. Many of these individuals are associated with the most progressive wing of the PMDB, which underscores the role it plays within the state apparatus. The Minister of Labor, Almir Pazzianotto, is a native of São Paulo who previously served as a labor lawyer representing metalurgical workers in the ABC region. The Secretary of Labor Relations, Plínio Sarti, also served as a labor lawyer, in his case representing Metalworkers in the Ribera Preto district of São Paulo.

The remaining external branches are headed by similarly qualified personnel. The Secretary of Employment and Wages is a professional economist with a long career in public service; the Secretary of Workforce Affairs is a university professor with experience in vocational training; the Secretary of Immigration is a career public servant; the Secretary of Labor Medicine and Safety is a medical doctor; and the Secretary of Social Promotion is a labor lawyer. In addition, the head of the SENAR is an agricultural engineer, while the Secretary-General previously served as president of the São Paulo banker's union and as Vice President of DIEESE (a not inconsequential background for the substitute (i.e. vice) minister). In one way or another, all of these individuals had prior records of professional involvement in labor issues in the state of São Paulo, a characteristic that extends throughout the Minister's cabinet, advisory agencies, and certain lower-echelon positions such as the syndical assistants.<sup>101</sup> This infusion of paulistas with PMDB affiliation and/or expertise in labor affairs continues a long-standing historical trend in which Brazilian Labor Ministers have staffed "political positions" and cargos de confiança with long-term professional acquaintances, fellow party members, and even friends and relatives. While seemingly parochial and ascriptive, it is argued that in the current context this ensures a coherent and professional ministerial mind-set that promotes concerted and efficient policy formation and implementation. Whether this is true or not, it is clear that it has encouraged a very definite pro-democratic orientation within the current leadership cadre. In addition, it has helped reduce upper-echelon personnel turnover in a critical and highly visible area of state activity, something which offers a (perhaps illusory) appearance of political stability.

What is important to consider is that the government's "liberal" orientation towards negotiation and cooperation with organized labor is reflected in the appointment of upper-echelon personnel in the MTb and other agencies involved in national labor administration. Their previous backgrounds and experience are considered to be the first steps in establishing a bridge between the labor movement and the state, something upon which the other elements of the government's labor strategy have subsequently been constructed. Practical expertise, a "progressive" or "liberal" approach, and labor-related backgrounds are consequently the main characteristics among upper-echelon personnel in national labor administration under the Sarnay government, and are what allow the MTb hierarchy to see themselves as both procedurally neutral and yet internal "defenders" of labor interests within the state apparatus. This has allowed them to exercise a fairly significant level of formulative autonomy with regard to labor policy, although as we have seen, their operative autonomy remains subject to a number of constraints.

#### V. Conclusion.

It should be apparent that at both the external and internal levels, the tenor if not tone of Brazilian labor administration has evolved considerably since the advent of the Nova Republica. Building on organizational changes that were themselves a reflection of the profound structural transformations at play within the Brazilian labor market and syndical movement as of 1978, the altered character of national labor administration has been most visibly manifest in its external orientation and strategy towards the labor-capital relationship. This change has taken shape on three interrelated levels of operation: attempts at establishing a concertative dialogue that could possibly culminate--however

narrowly-defined and contingent it may be--in a social pact involving labor, capital, and the executive branch; attempts at promoting legal, political, and economic reforms that provide substantive institutional bases for labor incorporation into the process of democratic consolidation; and in administrative acts of commission and (more importantly) omission that are designed to reinforce in all actors' minds the changed nature of labor administration and labor relations under democracy. All of this may well be part of a larger hegemonic project that is designed to establish the consensual foundations for the achievement of class compromise and the eventual consolidation of democratic capitalism in Brazil.

At an internal level, this change was less obviously manifest in organizational reforms, although a move towards functional compartmentalization and formulative-implementory decentralization is evident, especially in the internal atividade meio branches. With regard to external functions, labor relations, occupational safety, and wage and employment policy are emphasized, while social promotion and welfare activities are subordinated to the programs offered by other branches of the state apparatus such as the MPAS, MS, and INPS. Technical emphasis on labor issues more strictly defined has been reinforced by budgetary redistributions which support the MTb's external mission, and which reduce its dependence on the imposto sindical for internal administrative expenses. It is also evident in a personnel selection process that emphasizes professional backgrounds in labor relations (most often on the labor side) in the country's most populous and industrialized state and yet another indication of the change in the dominant characteristics of the national economy. As a result, the MTb of the Labor Department is still an agency of the Administrative Council of the



It is in this fashion that national labor administration has become the closest thing to an institutional mediator between labor and capital (and even between labor and other branches of the state) that Brazil has seen. Buttressed by personal backgrounds, budgetary emphasis on technical and legal responsibilities, and procedural neutrality in conflict negotiations, the MTb and associated agencies serve as a dual filter for sectoral interests. On one side (or perhaps better seen as from the top-down), national labor administration filters the expectations and demands of the executive branch and capitalist organizations and presents them for review to the organized labor movement. This parallels, and is often designed to soften the tone of direct interaction between labor, capital, and other branches of the state. On the other hand (or from the bottom-up, as it were), labor administration gathers and filters the expectations and demands of the organized working classes and presents them to the rest of the executive branch and capitalist collective agents. The locus in which the two perspectives converge is constituted by the internal debate within the executive branch between agencies that respond to capitalist interests (such as Ministries of Fazenda, Agriculture, Industry, the Central Bank, etc.), and the one that answers for the labor movement (buttressed by the input provided by other agencies with direct functional ties to subordinate groups such as the MPAS, MS, and INPS). Obviously, the dynamics of the debate rest on conjunctural factors at the macro, meso, and micro economic levels, and the responses they generate within different social sectors, as well as on the more normative concerns with fairness, equality, and the move towards substantive democratization. It is important to point out, however, that in this regard the role of the state in general, and national labor administration in particular, has changed markedly relative to the pre-1985 period. Hence, although the process

has been slow, incremental, and not without pitfalls, and even if its future remains uncertain, the evolution away from the long standing Brazilian tradition of exclusionary state corporatist administration of organized labor interests appears to have gradually begun to take concrete shape, and if ill-defined and fragile in its present state of gestation, nevertheless broaches the possibility of a cooperative, if not inclusionary labor relations system in the future. If such were to occur, it would be proof that even in Brazil "as coisas podem mudar," in this case for the better.

## ENDNOTES

<sup>1</sup> Procedural (formal) democracy refers to an instrumental and legalistic view that emphasizes formal party competition and open, competitive elections as the hallmarks of democratic political systems. Substantive democracy refers to the three levels involved in reproducing democratic structures, values, and relationships throughout a polity. At an institutional level, it is reflected in the general organization and specific structure and functions of the state apparatus, in the emergence of an ideologically diverse array of competitive--and legally equal--political parties (which may or may not have a class basis), and in the organization and behavior of the collective agents that emerge to defend and represent the interests of a variety of social groups. At a societal level, substantive democratization involves the inculcation throughout society of basic notions of consent, compromise, concession, collective interest, solidarity, and legitimate exchange. This promotes a high degree of participation, social tolerance, and adherence to the ethical and procedural norms and representative institutional channels that constitute the basic rules and framework of the democratic political "game." Finally, at an economic level (which is usually the most difficult to define and achieve), substantive democracy involves a general agreement within society which favors political guarantees for the maintenance of minimum living standards that provide for basic physical and social needs, as well as ensure just recompensation for individual productive activity (for example, through welfare legislation and minimum wage standards). The degree to which a society has moved towards the full achievement of procedural and substantive democracy at all of its levels helps us distinguish between inclusionary, exclusionary, limited, liberal, progressive, and radical democratic systems.

<sup>2</sup> On the early history of national labor administration, see S.S. Vianna, "Direito Administrativo do Trabalho," in A. Süsskind, et al., Instituições de Direito de Trabalho, 8a Edição. Rio de Janeiro: Livreria Freitas Bastos, S.A., 1981, Vol. 2, p. 1,117-1,133.

<sup>3</sup> For a discussion of Brazilian corporatism and its effect on labor relations, see P.C. Schmitter, Interest Conflict and Political Change in Brazil. Stanford: Stanford University Press, 1971; K. Mericle, "Conflict Regulation and the Brazilian Industrial Relations System," Ph.D. Dissertation, University of Wisconsin, 1974,; K.P. Erickson, The Brazilian Corporative State and Working Class Politics. Berkeley: University of California Press, 1977; and J. Humphrey, Capitalist Control and Worker's Struggle in the Brazilian Auto Industry. Princeton: Princeton University Press, 1982.

<sup>4</sup> L. Besouchet, Historia da Criação do Ministério do Trabalho: Ensaio de interpretação. Rio de Janeiro: Imprensa Nacional Coleção Lindolfo Collor, 1952, pp. 78-79, 62.

<sup>5</sup> R. Alexander, Labor Relations in Argentina, Brazil, and Chile. New York: McGraw Hill Book Co., 1962, pp. 45-60.

<sup>6</sup> Decree Law 5422/May 1, 1943, Articles 511-610 (titulo 5), in A.C. Costa, I. Ferrari, and N.B. Correa, Consolidação Das Leis do Trabalho 9th ed. São Paulo: Edições LTR, 1979, pp. 69-80.

<sup>7</sup> "Quadro de Actividades e Profissões a Que se Refere o Artigo 577 do Consolidação das Leis do Trabalho," Annex to Consolidação Das Leis do Trabalho, 2nd Ed. São Paulo, n.d., 1956.

<sup>8</sup> For a discussion of the structural characteristics of the Peronist inclusionary state corporatist labor relations system, see P.G. Buchanan, "State Corporatism in Argentina: Labor Administration Under Perón and Onganía," Latin American Research Review, V.20, N.1 (Spring 1985), pp. 61-96.

<sup>9</sup> For a succinct analysis of the major features of inclusionary and exclusionary corporatism, see R.B. and D. Collier, "Inducements versus Constraints: Disaggregating 'Corporatism,'" American Political Science Review, V.73, N.4 (December 1979), pp. 967-986.

<sup>10</sup> Current prohibitions on strikes formally extend to essential industries such as petrochemicals, maritime transportation, banking, and most public services. Recent history has proven that formal restrictions do little to deter strikes, at least under democratic conditions.

<sup>11</sup> On the characteristics of Latin American labor relations systems, see Collier and Collier, "Inducements versus Constraints," and H. Wiarda, The Corporative Origins of the Iberian and Latin American Labor Relations Systems. Amherst, MA: Labor Relations and Research Center, University of Massachusetts, 1976.

<sup>12</sup> Sússekind, et al., Instituições de Direito de Trabalho, p. 1118.

<sup>13</sup> Alexander, Labor Relations in Argentina, Brazil, and Chile, pp. 66, 79.

<sup>14</sup> Ibid., p. 88.

<sup>15</sup> C.A. Paulón, Direito Administrativo do Trabalho. São Paulo: Editora LTR, 1984, p. 104

<sup>16</sup> E. de Moraes Filho, O Direito e a Ordem Democrática. São Paulo: Editora LTR, 1984, p. 135.

<sup>17</sup> For a discussion of social security and health policy after their separation from national labor administration, see J. Malloy, The Politics of Social Security in Brazil. Pittsburgh: University of Pittsburgh Press, 1979, esp. Ch. 5. For the evolution of social security programs and their specific impact on the working classes, see by the same author "Social Security Policy and the Working Classes in Twentieth Century Brazil," Journal of Interamerican Studies and World Affairs, V.19, N.1 (February, 1977), pp. 33-60.

<sup>18</sup> Consolidação Das Leis do Trabalho, 9th Ed., pp. 403-405.

<sup>19</sup> For an extended discussion of this point, see P.G. Buchanan, "State Organization as a Political Indicator," Technical Report N.1, Western Hemisphere Area Studies, Department of National Security Affairs, Naval Postgraduate School, March 1986.

<sup>20</sup> On factors contributing to authoritarian liberalization and eventual democratization, see G.A. O'Donnell and P.C. Schmitter, Tentative Conclusions about Uncertain Outcomes. (Vol. 4 of Transitions from Authoritarian Rule, ed. by G.A. O'Donnell, P.C. Schmitter, and L. Whitehead. Baltimore: Johns Hopkins University Press, 1986).

<sup>21</sup> For a comparative view of the Brazilian process of abertura leading to redemocratization, see D. Share and S. Mainwaring, "Transitions From Above: Democratization in Brazil and Spain," Kellogg Institute Working Paper, N.32 (December 1984), and L. Martins, "The 'Liberalization' of Authoritarian Rule in Brazil," in O'Donnell, Schmitter, and Whitehead, Transitions from Authoritarian

Rule: Vol. 3, Latin America. Baltimore: Johns Hopkins University Press, 1986, pp. 72-94.

<sup>22</sup> For a discussion of the factors involved in democratic consolidation, including the problems of overcoming authoritarian legacies, see P.G. Buchanan, "State, Labor, Capital: Institutionalizing Democratic Class Compromise in the Southern Cone," Technical Report N.3, Western Hemisphere Area Studies, Department of National Security Affairs, Naval Postgraduate School, July 1987.

<sup>23</sup> For further discussion of these corporatist traits, see Schmitter, Interest Conflict...; Mericle, "Conflict Regulation...;" Erickson, The Brazilian Corporative State; and Humphrey, Capitalist Control and Worker's Struggle..., all cited in footnote 3.

<sup>24</sup> Correio Brasilense, May 2, 1986.

<sup>25</sup> O Globo, April 4, 1987, p. 2.

<sup>26</sup> On DIEESE's role and background, see O Globo, April 5, 1987, p. 8; O Globo April 11, 1987, p. 24; and O Globo, April 12, 1987, p. 43. On labor integration in the other agencies, see Correio Brasilense, May 2, 1986, and the President's telegram to the labor confederations after his March 1987 meetings with them, reprinted in O Globo, April 11, 1987, p. 24.

<sup>27</sup> Plínio Sarti, Secretário de Relações do Trabalho do Ministério do Trabalho, Personal Interview, March 16, 1987.

<sup>28</sup> Clarín (Buenos Aires), April 6, 1987, p. 25. Also see the declarations of Jair Meneguelli and the editorial critique of his position in O Globo, April 7, 1987, p. 4.

<sup>29</sup> Ministério do Trabalho, "Exposição de Motivos No 24 e Projeto de Lei que regula a negociação coletiva de trabalho e o exercício do direito de greve." Brasília: draft proposal, August, 1986, pp. 4-8.

<sup>30</sup> Ibid., pp. 1-4. Also see Correio Brasileiro, June 26, p. 11.

<sup>31</sup> O Globo, April 7, 1987, p. 6.

<sup>32</sup> O Globo, April 10, 1987, p. 18.

<sup>33</sup> Both statements are by Senator Carols Chiarelli, member of the president's Conselho Político and leader of the Partido do Frente Liberal (PDF) in Correio Brasileiro, June 26, 1986, p. 11 and O Globo, April 17, 1987, p. 5.

<sup>34</sup> Plínio Sarti, Personal Interview, March 16, 1987.

<sup>35</sup> For pro and con views of the proposed ratification of ILO convention N. 87 and the elimination of the imposto sindical, see "Dois Pontos: O Imposto Sindical," O Globo, March 31, 1987, p. 4, and "Dos Pontos: A Reforma Sindical," O Globo, April 13, 1987, p. 4.

<sup>36</sup> On the role of the PT as the political agent for organized labor, see M. Keck, "Great Expectations: The Worker's Party in Brazil, 1979-1985," Paper delivered at the XIII International Conference of the Latin American Studies Association, Boston, MA, October 23-25, 1986, and her "From Movement to Politics: The Worker's Party in the Brazilian Transition," Ph.D. Dissertation, Columbia University, 1986. On the role of labor parties in postwar European processes of democratic incorporation, see S. Berger, ed., Organizing Interests in Western Europe. Cambridge: Cambridge University Press, 1981; J. Goldthorpe, ed., Order and Conflict in Contemporary Capitalism. Oxford: Clarendon Press,



1985; and S. Valenzuela, "Movimientos Obreros y Sistemas Políticos: Un Análisis Conceptual y Tipológico," Desarrollo Económico, V.23, N.91 (Oct.-Dec., 1983), pp. 339-368.

<sup>37</sup> O Globo, March 5, 1987, p. 17.

<sup>38</sup> O Globo, February 18, 1987, pp. 17-18.

<sup>39</sup> O Globo, April 18, 1987, p. 21, Latin American Weekly Report, July 16, 1987 (We-87-27), p. 1; Veja, June 24, 1987, pp. 34-41; and Boletim IBASE, August, 1987, p. 7.

<sup>40</sup> See the statements made by Walter Barelli, Director of Research for DIEESE, issued in press releases and cited in various newspapers in early March 1987.

<sup>41</sup> Additional information on real wages, the effects of the Novo Plano Cruzado, and labor's response is available in Latin America Weekly Report, June 25, 1987 (WR-87-24), p. 4; Brazil Report 4 June 1987 (RB-87-05); and Boletim IBASE, August, 1987, pp. 7-9, 20-26.

<sup>42</sup> Plínio Sarti, Personal Interview, March 16, 1987. Also see A. Pazzianoto, "Discurso do Ministro do Trabalho," given to the 72nd Meeting of the International Labor Conference, Geneva, 1986, and published that year by the Ministério do Trabalho; pp. 5-6.

<sup>43</sup> O Globo, March 5, 1987, p. 17.

<sup>44</sup> O Globo, March 9, 1987, p. 13.

<sup>45</sup> O Globo, February 18, 1987, p. 19.

<sup>46</sup> For a discussion of the seguro desemprego and its economic impact, see J.P. Zeetano Chahad, "O Seguro-Desemprego e o Mercado de Trabalho no Brasil," Trabalho para Discussão Interna N. 11/86, Universidade de São Paulo, Faculdade de Economia e Administração, Instituto de Pesquisas Econômicas-IPE; 1986.

<sup>47</sup> A. Pazzianoto, "Discurso," pp. 4-5. Also see the statements of Secretária de Emprego e Salários Dorothea Wernek in O Globo, February 18, 1987, p. 19.

<sup>48</sup> O Globo, March 9, 1987, p. 13.

<sup>49</sup> O Globo, March 3, 1987, p. 17.

<sup>50</sup> See the advertisement taken out by the Federal government in O Globo, April 8, 1987, pp. 24-25.

<sup>51</sup> H.J. Jouval, "La atención medica en la seguridad social. Brasil 1985," Cuadernos Médico Sociales, N.38 (1986), p. 45.

<sup>52</sup> The above discussion of social security and health policies under the democratic regime is drawn from *ibid*, especially pp. 44-53.

<sup>53</sup> O Globo, April 3, 1987, p. 18.

<sup>54</sup> O Globo, March 30, 1987, p. 12, and O Globo, April 3, 1987, p. 16.

<sup>55</sup> See the analysis offered in O Globo, March 30, 1987, p. 12.

<sup>56</sup> A. Pazzianoto, "Pronunciamento do Ministro do Trabalho," given at the Escola Superior de Guerra, August, 1986, and published that year by the Ministério do Trabalho; pp. 8-10.

<sup>57</sup> Eros de Almeida, Secretário-Geral do Ministério do Trabalho, Personal Interview, March 17, 1987.

<sup>58</sup> For example, see the advertisement taken out in O Globo on March 6, 1987 by Sydarma (the Maritime Transporter's Association), and the comments of FIESP (Federação Industrial do Estado de São Paulo) director Rocha Dinitz in O Estado de São Paulo, July 19, 1986, p. 22.

<sup>59</sup> O Globo, March 9, 1987, p. 13, and O Globo, March 29, 1987, p. 40.

<sup>60</sup> Folha do São Paulo, March 18, 1987, cited in Boletim IBASE, March 1987, p. 16.

<sup>61</sup> A. Pazzianotto, interviewed in O Globo, April 12, 1987, p. 16.

<sup>62</sup> O Globo, March 9, 1987, p. 13, and O Globo, March 29, 1987, p. 40.

<sup>63</sup> O Globo, March 1, 1987, p. 2.

<sup>64</sup> Statement by CUT Vice President Avelino Ganzer, cited *ibid.*

<sup>65</sup> O Globo, March 30, 1987, p. 19.

<sup>66</sup> See the results of a Gallup Poll survey published in O Globo, April 26, 1987, p. 12.

<sup>67</sup> For a succinct exposition of these views, see the interviews with Julio Lobos, labor advisor to several major industries, in Veja, September 24, 1986, pp. 5-8.

<sup>68</sup> Boletim IBASE, March 1987, p. 16.

- <sup>69</sup> Latin American Weekly Report, July 2, 1987 (WR-87-25).
- <sup>70</sup> For a sympathetic view of this type of labor approach, see Boletim IBASE, March, 1987, and Boletim Nacional CUT, December 1986-January 1987.
- <sup>71</sup> Pazzianotto, "Discurso," p. 4.
- <sup>72</sup> This argument is elaborated in P.G. Buchanan, "State, Labor, Capital..." op. cit.
- <sup>73</sup> T.J. Jackson-Lears, "The Concept of Cultural Hegemony: Problems and Possibilities," American Historical Review, V.90, N.3 (June 1985), pp. 568-569.
- <sup>74</sup> A. Gramsci, Selections from the Prison Notebooks. Ed and Trans. by Q. Hoare and G.N. Smith. New York: International Publishers, 1971, p. 161.
- <sup>75</sup> Ibid., p. 244.
- <sup>76</sup> Ibid., p. 182.
- <sup>77</sup> J. Choi, "The English Ten-Hours Act: Official Knowledge and the Collective Interest of the Ruling Class," Politics and Society, V.13, N.4 (1984), p. 456.
- <sup>78</sup> Consolidação das Leis do Trabalho, 9th Ed. (1979), pp. 403-405. The discussion of organizational structure that follows is drawn from this source.
- <sup>79</sup> Dr. Renaldo Estelis, Secretário de Orçamento e Finanças do Ministério de Trabalho. Personal Interview, March 17, 1986.
- <sup>80</sup> Plínio Sarti, Personal Interview, March 16, 1987.

<sup>81</sup> Eros de Almeida, Personal Interview, March 17, 1987.

<sup>82</sup> It is worth noting that none of those interviewed for this study wished to discuss the DSI on record, and many avoided discussion of the subject altogether. Those that did agree to talk all concurred in that the prevalent attitude within the MTb towards the DSI was one of active neglect, with hopes for a future organizational reform that would bring about its elimination. All agreed that such a prospect was remote in the foreseeable future.

<sup>83</sup> Figures supplied by Dr. Renaldo Estelis, March 17, 1987.

<sup>84</sup> Ministério do Trabalho, SG/SGAT/SOF, "Execução Orçamentaria." Internal Memorandum, September 1986; and Ministério do Trabalho, "Demonstrativo do Orçamento Anual," Internal Memo, 1987, p. 1.

<sup>85</sup> "Demonstrativo do Orçamento Anual," p. 1.

<sup>86</sup> Ministério do Trabalho, MTb/SG/SOF, "Participação das Atividades no Orçamento de ODC/CAP," Internal Memorandum, September 1986.

<sup>87</sup> Ministério do Trabalho, "Dotação, 1984-1985," Internal Memorandum, n.d., pp. 5-6.

<sup>88</sup> "Demonstrativo do Orçamento Annual," p. 1.

<sup>89</sup> Ibid.

<sup>90</sup> Ministério do Trabalho, "Orçamento 1986/1987: Outras Despesas de Capital--Atividade Fim, Quadro Comparativo," Internal Memorandum, n.d.

<sup>91</sup> Formulative autonomy refers to the ability of branches of the state to formulate policies free from the interference of other branches of the state or pressures from civil society; operative autonomy refers to the ability of state branches to implement policies free from such interference and pressures. Taken together, both types of autonomy are used to measure the relative autonomy and procedural neutrality of states.

<sup>92</sup> Dr. Renaldo Estelis, Personal Interview, March 17, 1987.

<sup>93</sup> Ministério do Trabalho, "Distribuição da Força de Trabalho-MTE," Internal Memorandum, October 1986. This discussion of personnel factors in labor administration is also derived from information gathered during an interview with Dr. Mauro Moreira Filho, Director of Personnel of the MTE, March 17, 1987.

<sup>94</sup> Ministério do Trabalho, "Situação Empregos, Orgaos Regionais-DETE's Atualização/DP: 02/07/86." Internal Memorandum, Departamento de Pessoal, 1986.

<sup>95</sup> "Core" areas of national state activity are the narrow array of primary or essential functional tasks that hold the attention of all regimes regardless of their particular character and ideological/political/social orientation. These include providing for national defense, preserving domestic order, formulating economic policy, administering the interests and demands of important social groups, providing basic public goods such as education, health, and welfare services, overseeing the exploitation of national resources (both natural and human), and conducting international diplomatic relations. These tasks can be further classified as economic and political management, resource extraction, social control and socialization, security, and distribution of

benefits functions, and as such encompass both ideological and coercive state apparatuses. For further discussion of this theme, see P.G. Buchanan, "State Organization as a Political Indicator."

<sup>96</sup> "Distribuição da Força de Trabalho--Mtb," p. 1.

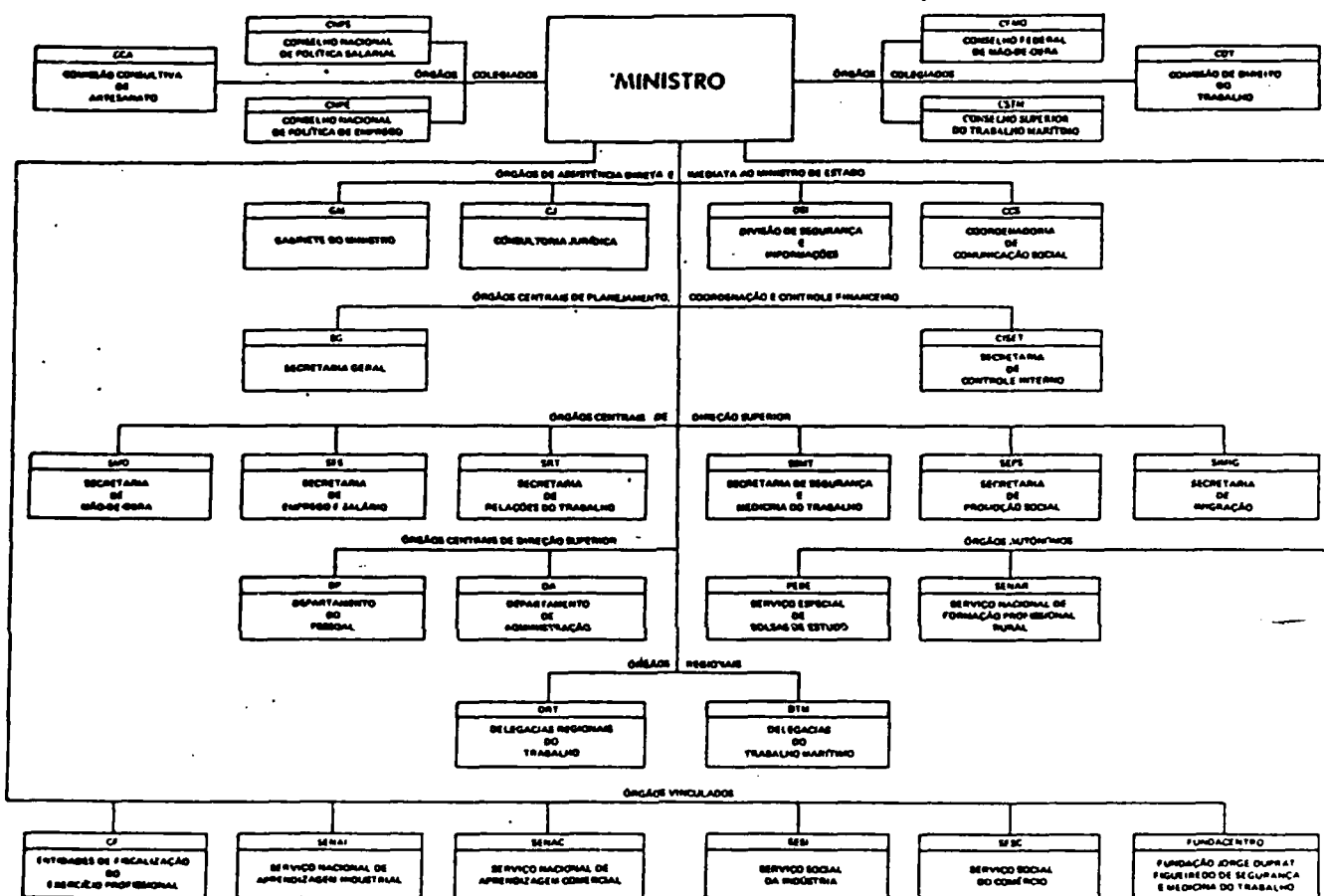
<sup>97</sup> Ministério do Trabalho, "Situação Empregos, SEDE, Atualização/DP: 02/07/86." Internal Memorandum, Departamento de Pessoal, 1986, and "Situação Empregos, Órgãos Regionais--DRT's."

<sup>98</sup> Interview with Argeo Quintanilha, Director Regional de Trabalho, Estado do São Paulo, in O Estado de São Paulo, April 23, 1987, p. 30.

<sup>99</sup> "Situação Empregos, SEDE," p. 5.

<sup>100</sup> Dr. Renaldo Estelis, Personal Interview, March 17, 1987.

<sup>101</sup> Eros de Almeida. Personal Interview, March 17, 1987.





# INITIAL DISTRIBUTION LIST

	<u>No Copies</u>
1. Library Naval Postgraduate School Monterey CA 93943-5100	2
2. Director of Research (Code 012) Naval Postgraduate School Monterey CA 93943-5100	1
3. Chairman, Department of National Security Affairs (Code 56) Naval Postgraduate School Monterey, CA 93943-5100	10
4. Professor Paul Buchanan Naval Postgraduate School Monterey CA 93943-5100	20
5. Professor Tom Bruneau Naval Postgraduate School Monterey CA 93943-5100	2
6. Professor Guillermo A. O'Donnell Helen Kellogg Institute for International Studies University of Notre Dame Notre Dame, IN 46556	6
7. Professor Robert Wesson Senior Research Fellow Hoover Institution Stanford, CA 94305-2223	2
8. Western Hemisphere Sub-Committee U.S. House of Representatives Washington, D. C. 20330	2
9. Latin American Program The Wilson Center Smithsonian Institution Building Washington, D. C. 20560	2
10. Hans Einnedijk Center for the Study of Foreign Affairs Foreign Service Institute 1400 Key Blvd. Arlington, VA 22209	2
11. Congressional Research Service CRS/FAND, Room LM-315 Library of Congress Washington, D. C. 20540	2

# INITIAL DISTRIBUTION LIST

	<u>No. Copies</u>
12. Georgette Magassy Barn Hispanic Division Library of Congress Washington, D. C. 20540	2
13. Center for Latin American Studies Sid Richardson Hall, Unit 1 University of Texas at Austin Austin, TX 78712	2
14. Center for Latin American Studies University of Pittsburgh Pittsburgh, PA 15260	2
15. Captain Ray R. Keiser, USN Western Hemisphere Plans & Policy Branch OP-613 PNT Room 4E519 Office of the Chief of Naval Operations Washington, D. C. 20350	1
16. Colonel H. Ladehoff, USA America-Asia Division DAMO-SSA PNT Room 3B516 Office of the Army Chief of Staff Washington, D. C. 20310	1
17. Colonel G. R. Davis Western Hemisphere Division AF/XOXXW PNT Room 3A 1064 Office of the Air Staff Washington, D. C. 20330	1
18. Colonel Ruffus Harris, USAF Western Hemisphere Division J-5 PNT Room 2D959 Joint Staff Washington, D. C. 20301	1
19. Brigadier General Clark M. Brintrall, USA Inter-American Region OSD/ISA/IA PNT Room 4C800 Office of the Secretary Defense Washington, D. C. 20301	1
20. Center for Naval Analysis 4401 Ford Ave. Alexandria, VA 22311	1
21. Defense Technical Information Center Cameron Station Alexandria, VA 22304-6145	2

END

FILMED

MARCH, 19 88

DTIC